

**EASTERN
TOWNSHIPS
BANK**

1859-1912

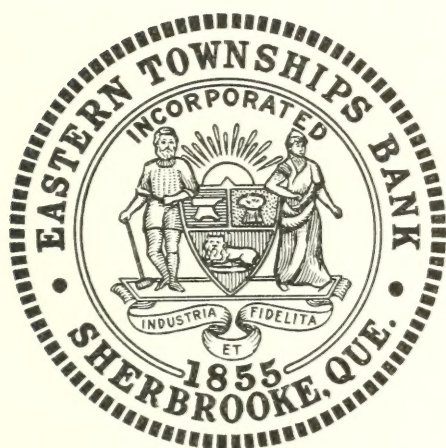


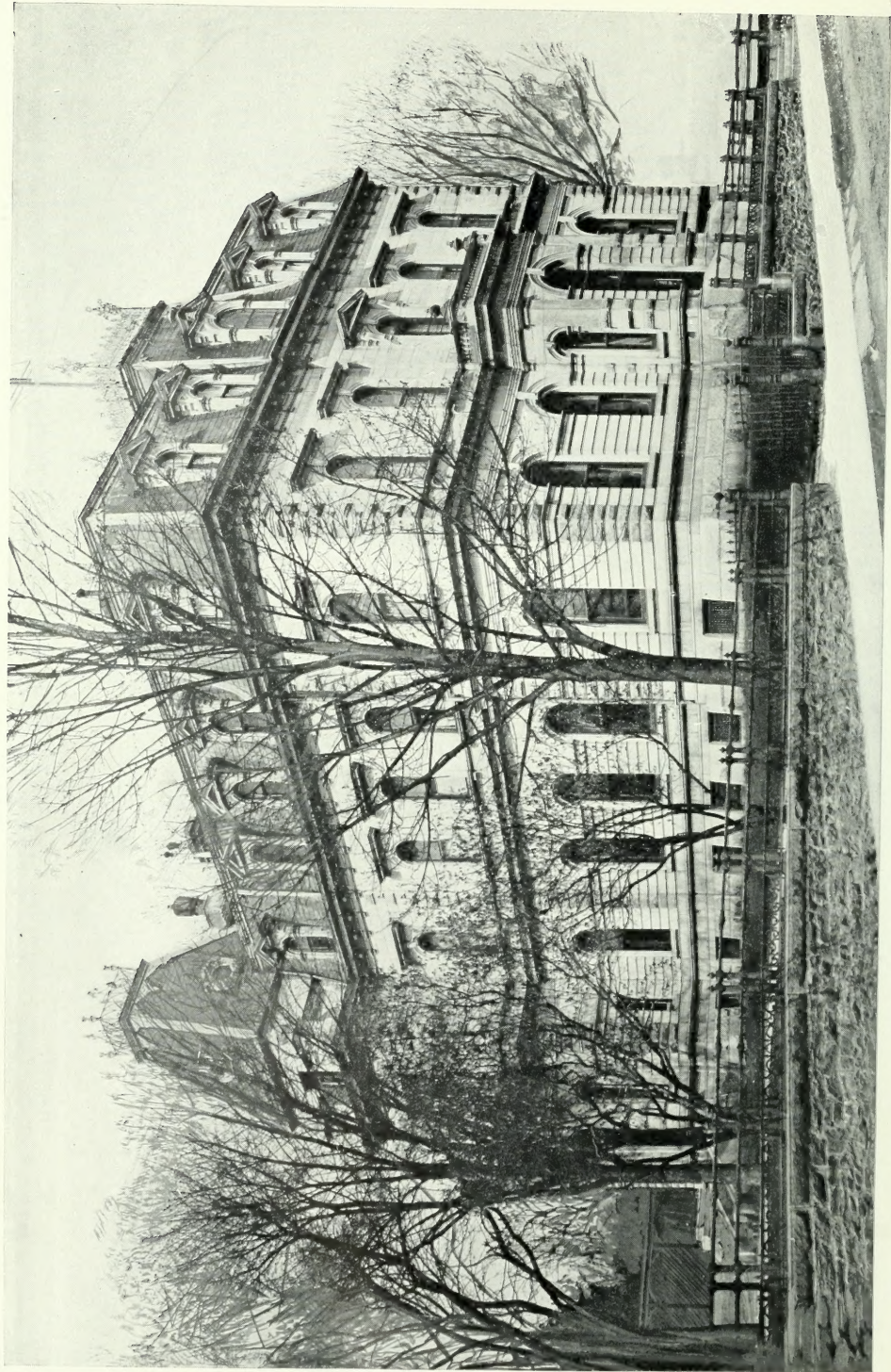
WITH THE COMPLIMENTS OF

MR. JAMES MACKINNON, General Manager

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.





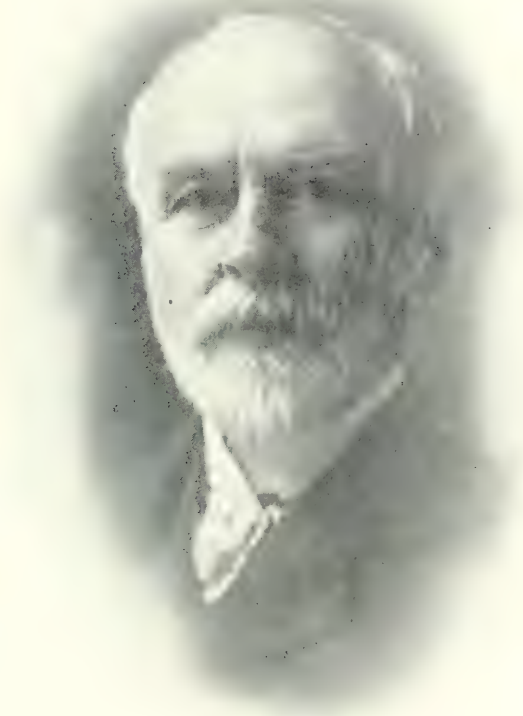
HEAD OFFICE. SHERBROOKE. QUE.

EASTERN
TOWNSHIPS
BANK.

Charter and Annual Reports
1859-1912.

SHERBROOKE, QUE.

1912



WILLIAM FARWELL.

President 1902-1912.

LIST OF ILLUSTRATIONS

Head Office.....	Opp. Title
William Farwell.....	Following Title
J. MacKinnon.....	Opp. Page XII
Col. Pomroy.....	Opposite page XXI
First Bank Building	" " } XXVIII
W. S. Foster.....	" " }
First Directors	" " 30
A. P. Ball.....	" " } 38
Hon. G. G. Stevens.....	" " }
W. G. Parmelee.....	" " 48
R. W. Heneker.....	" " 80
Hon. M. H. Cochrane	" " 154
Officers 25 years and over.....	" " 224
" " " " "	" " 232
" " " " "	" " 240
" " " " "	" " 248
Retired Senior Officers.....	" " 280
Cowansville	" " 288
G. Stevens.....	" " 296
St. Hyacinthe.....	" " 336
C. H. Kathan.....	" " 352
J. S. Mitchell.....	" " 360
Coaticook	" " 368
S. H. C. Miner.....	" " 378
Granby	" " 388
A. C. Flumerfelt.....	" " 406
Rock Island.....	" " 408
F. Grundy.....	" " 414
Orms town.....	" " 416
Vancouver.....	" " 420
O. A. Robertson	" " 424
G. G. Foster.....	" " 430
F. N. McCrea.....	" " 438
Montreal.....	" " 444
B. C. Howard.....	" " 446
E. L. Stewart-Patterson	" " 464
C. W. Colby.....	" " 476
H. J. Fuller.....	" " 488

CONTENTS

	Pages
Charter.....	XV
Organization	XX
By-Laws.....	XXI
First Annual Report 1860.....	1
Second Annual Report 1861.....	11
Third Annual Report 1862.....	19
Fourth Annual Report 1863.....	29
Fifth Annual Report 1864.....	39
Sixth Annual Report 1865.....	47
Seventh Annual Report 1866.....	57
Eighth Annual Report 1867.....	67
Ninth Annual Report 1868.....	77
Tenth Annual Report 1869.....	85
Eleventh Annual Report 1870.....	93
Twelfth Annual Report 1871.....	103
Thirteenth Annual Report 1872.....	113
Fourteenth Annual Report 1873.....	123
Fifteenth Annual Report 1874.....	133
Sixteenth Annual Report 1875.....	143
Seventeenth Annual Report 1876.....	155
Eighteenth Annual Report 1877	163
Nineteenth Annual Report 1878.....	171
Twentieth Annual Report 1879.....	179
Twenty-first Annual Report 1880.....	189
Twenty-second Annual Report 1881	199
Twenty-third Annual Report 1882	209
Twenty-fourth Annual Report 1883.....	217
Twenty-fifth Annual Report 1884.....	225
Twenty-sixth Annual Report 1885.....	233
Twenty-seventh Annual Report 1886.....	241
Twenty-eighth Annual Report 1887.....	249
Twenty-ninth Annual Report 1888.....	257
Thirtieth Annual Report 1889.....	267
Thirty-first Annual Report 1890.....	277
Thirty-second Annual Report 1891.....	285

CONTENTS—(Continued)

	Pages
Thirty-third Annual Report 1892.....	295
Thirty-fourth Annual Report 1893.....	303
Thirty-fifth Annual Report 1894.....	313
Thirty-sixth Annual Report 1895.....	323
Thirty-seventh Annual Report 1896.....	331
Thirty-eighth Annual Report 1897..	343
Thirty-ninth Annual Report 1898.	353
Fortieth Annual Report 1899.....	361
Forty-first Annual Report 1900.....	369
Forty-second Annual Report 1901.....	379
Forty-third Annual Report 1902.....	389
Forty-fourth Annual Report 1903.....	399
Forty-fifth, Six Months Report 1903.....	401
Forty-sixth Annual Report 1904.....	407
Forty-seventh Annual Report 1905.....	415
Forty-eighth Annual Report 1906.....	423
Forty-ninth Annual Report 1907.....	431
Fiftieth Annual Report 1908.....	439
Anniversary Report 1909.....	447
Fifty-first Annual Report 1910.....	477
Fifty-second Annual Report 1911.....	489
Circular Letter to Shareholders.....	501
Agreement between the Eastern Townships Bank and The Canadian Bank of Commerce.....	504
Letter to Shareholders of the Eastern Townships Bank.....	512

EASTERN TOWNSHIPS BANK

HEAD OFFICE, SHERBROOKE, QUE.

Capital Authorized, - \$5,000,000.00
Capital Paid Up, - \$3,000,000.00
Reserve Fund, - - \$2,400,000.00

DIRECTORS.

WM. FARWELL, ESQ., President.

GARDNER STEVENS, ESQ., Vice-President.

C. H. KATHAN, ESQ.

J. S. MITCHELL, ESQ.

A. C. FLUMERFELT, ESQ.

O. A. ROBERTSON, ESQ.

GEO. G. FOSTER, ESQ., K.C.

F. N. McCREA, ESQ., M.P.

B. C. HOWARD, ESQ.

C. W. COLBY, ESQ., Ph.D.

H. J. FULLER, ESQ.

OFFICERS.

J. MACKINNON, General Manager.

E. L. STEWART PATTERSON, Assistant General Manager.

WM. SPIER, Chief Inspector.

NEIL DINNING, Chief Accountant.

1912

BY-LAWS
OF THE
EASTERN TOWNSHIPS
BANK

Organized June 6, 1859.

TO WHICH IS PREFIXED

A Synopsis of the Charter, Organization, &c.



J. MACKINNON.
General Manager, 1902-1912.

OFFICERS :

B. POMROY, PRESIDENT.

CHAS. BROOKS, VICE-PRESIDENT.

WM. S. FOSTER, CASHIER.

DIRECTORS.

B. POMROY,	-	-	-	-	Compton
R. W. HENEKER,	-	-	-	-	Sherbrooke.
CHS. BROOKS,	-	-	-	-	Lennoxville.
G. K. FOSTER,	-	-	-	-	Richmond.
H. L. ROBINSON	-	-	-	-	Waterloo.
A. A. ADAMS	-	-	-	-	Coaticook.
J. H. POPE,	-	-	-	-	Eaton,

DISCOUNT DAYS : *Tuesdays and Fridays.*

BRANCH BANKS.

STANSTEAD : A. P. BALL, *Cashier.*

ALBERT KNIGHT,	}	<i>Local Directors.</i>
JOHN GILMAN,		
C. W. COWLES,		

DISCOUNT DAYS : *Tuesdays and Fridays.*

WATERLOO : G. G. STEVENS, *Cashier.*

H. L. ROBINSON,	}	<i>Local Directors.</i>
H. B. FOSTER,		
A. B. PARMELEE,		

DISCOUNT DAYS : *Mondays.*

THE CHARTER.

18TH VICTORIA, CHAPTER 206.

(SYNOPSIS.)

ART. 1. Certain persons incorporated by the name of the EASTERN TOWNSHIPS BANK, to be located at Sherbrooke.

ART. 2. Capital stock £250,000, in 20,000 shares of £12 10s. each. (Capital reduced to \$400,000, in 8,000 shares of \$50 each. See 22d Vic. Cap. 79.)

ART. 3. Provides for opening of Stock Books and election of Directors.

ART. 4. Shares to be paid by instalments, and ten per cent to be paid at the time of subscribing ; \$100,000 to be paid in before commencing business. (The remainder to be paid as follows : \$40,000 within eighteen months ; \$60,000 within three years ; \$80,000 within four years, and the remaining sum of \$120,000 in five years, from the time when the Bank shall have commenced the business of banking. See 22d Vic. Cap. 79.)

ART. 5. If any shareholder or shareholders shall refuse or neglect to pay any or either of the instalments upon his, her or their shares of the said capital stock, at the time or times required by public notice such shareholder or shareholders shall incur a forfeiture to the use of the said Corporation of a sum of money equal to ten pounds per centum on the amount of such shares ; and moreover, it shall be lawful for the Directors of the said Corporation (without any previous formality other than thirty days of public notice of their intention) to sell at public auction the said shares, or so many of said shares as shall after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments due on the remainder of the said shares and the amount of forfeitures incurred

upon the whole ; and the President, or Vice-President, or Cashier of the said Corporation, shall execute the transfer to the purchaser of the shares of Stock so sold, and such transfer being accepted, shall be as valid and effectual in law as if the same had been executed by the original holder or holders of stock thereby transferred : Provided always, that nothing in this section contained, shall be held to debar the Directors or Shareholders at a general meeting, from remitting, either in whole or in part and conditionally or unconditionally, any forfeiture incurred by the nonpayment of instalments as aforesaid.

ART. 6. The chief place or seat of business of the said Corporation shall be in the Town of Sherbrooke aforesaid ; but it shall and may be lawful for the Directors of the Corporation to open and establish in other Cities, Towns and places in this Province, branches or offices of discount and deposit of the said Corporation, under such rules and regulations for the good and faithful management of the same as to the said Directors shall, from time to time, seem meet, and shall not be repugnant to any law of this Province, to this Act, or to the By-Laws of the said Corporation.

ART. 7. The affairs of the Corporation to be managed by seven Directors to be elected yearly by stockholders—Directors to choose a President, and Vice-President,—Qualification of Directors : 20 shares, seven years residence in Canada, and British subjects.

ART. 8. Election of Directors not taking place, Corporation not thereby dissolved.

ART. 9. Books, &c., of the Corporation to be subject to the inspection of the Directors.

ART. 10. Three Directors to form a quorum.

ART. 11. Directors may make By-Laws, subject to the approval of the stockholders.

ART. 12. Directors not to act as private bankers, nor receive pay, except the President.

ART. 13. The Directors may appoint a Cashier, and

Officers as may be necessary, and must take security, the Cashier in not less than five thousand pounds, and other officers such sum as the Directors may deem adequate.

ART. 14. Directors to make half-yearly dividends.

ART. 15. Annual meeting of Stockholders first Monday of June in each year to elect Directors and to transact other business. A statement of the affairs of the Bank to be published.

ART. 16. Votes of Shareholders : One share and not over two, one vote ; ten shares, five votes ; thirty shares, ten votes ; sixty shares, fifteen votes ; one hundred shares and over, twenty votes. Absent shareholders may vote by proxy by written authority to a shareholder.

ART. 17. No Cashier, Clerk, or other officer of the Bank to vote.

ART. 18. Special meetings may be called by twenty stockholders by giving six weeks public notice.

ART. 19. Stock to be deemed personal estate, and may be assigned but assignment not valid unless entered on stock book, and debts due to Bank paid.

ART. 20. In what business only the Bank may engage, and what species of property it may hold.

ART. 21. Discounts to Directors or officers of the Bank not to exceed one-tenth of the amount of discounts or advances made by the Corporation at the same time.

ART. 22. May pay interest on deposits.

ART. 23. Bonds and obligations of the Corporation may be assigned by endorsement.

ART. 24. Notes to bear date and be payable at place of issue. What shall be deemed Branch Banks.

ART. 25. Suspension for sixty days to forfeit charter.

ART. 26. Total amount of Bills under twenty shillings not to exceed one-fifth of capital stock paid up. None under five shillings to be issued. 16th. Vic. Cap. 162 to apply to this Bank.

ART. 27. Total debts limited—penalty for excess.

ART. 28. In the event of the property and assets of the Corporation hereby constituted becoming insufficient to liquidate the liabilities and engagements or debts thereof, the Shareholders of the Corporation, in their private or natural capacities, shall be liable and responsible for the deficiency, but to no greater extent than to double the amount of paid up capital, that is to say : that the liability and responsibility of each Shareholder shall be limited to the amount of his or her share or shares of the paid up capital stock, and a sum of money equal in amount thereto ; Provided always, that nothing in this section contained shall be construed to alter or diminish the additional liabilities of the Directors of the Corporation herein before mentioned.

ART. 29. Monthly statements of the affairs of the Bank to be made and published.

ART. 30. Not to lend money to foreign powers.

ART 31. Notices to be published in the Canada Gazette and in one or more of the newspapers published in the Town of Sherbrooke.

ART. 32. Punishment of officers embezzling funds of the Bank—to be adjudged guilty of felony.

ART. 33. Punishment of felony under this Act,—not less than seven years in the Penitentiary, or by imprisonment in any Jail not exceeding two years.

ART. 34. Warrant to search for forged notes—proceedings thereon.

ART. 35. Transfer of Shares in Great Britain.

ART. 36. Provision in case of death of shareholders.

ART. 37. do do marriage of female shareholder.

ART. 38. How decision of Court to be obtained in case of debts.

ART. 39. Bank not bound to see to execution of trusts.

ART. 40. One-tenth of capital to be invested in Debentures.

ART. 41. Act in force to 1870, and to the end of the then next session of Parliament.

ART. 42. This Act to be deemed a Public Act.

Form of Transfer and Acceptance.

OTHER ACTS APPLICABLE TO THIS BANK.

4th and 5th Vic. Chap. 29, imposes a duty of 1 per cent. on the issues of all Banks in Canada.

22d Vic. Cap. 85, authorizes any Bank in Canada to receive a rate of interest, not exceeding seven per cent, and the following additional rates on bills payable at other than its own places of business, viz : On bills or notes having 30 days to run, one eighth of one per cent ; 30 days and not exceeding 60 days, one-fourth of one per cent, 60 days and not exceeding ninety days, three-eighths of one per cent, ninety days and over, one half of one per cent.

16th Victoria, Cap. 162, ART. 1 : That it shall be lawful for any Chartered Bank in this province, the total amount of whose Bank Notes of all values, to be issued and in circulation at any one time, is by its Charter or Act of Incorporation or any Act amending the same, limited to the amount of its paid up Capital—or the total amount of whose Bank Notes each for less than some assigned sum, to be issued and in circulation at any one time, is by any such Act limited to a certain sum or to a certain proportion of its capital,—to issue and have in circulation, at any time, any further amount of such Bank Notes beyond the amount limited in either of the said cases, not exceeding in either cases, or in both together, the sums which such Bank shall then have on hand in gold and silver coin or bullion and Debentures receivable in deposit for Registered Bank Notes under the laws for regulating business of Banking, the value of such Debentures to be reckoned at par ; but it shall not be necessary that such coin or bullion or Debentures be deposited with the Receiver General, or that the Bank Notes to be so issued be registered.

ORGANIZATION.

SHERBROOKE, JUNE 6, 1859.

At a meeting of the Shareholders of the EASTERN TOWNSHIPS BANK, held at the Magog House, in the Town of Sherbrooke, pursuant to notice given as required by Charter. The meeting organized by appointing Hon. HOLLIS SMITH as Chairman, and Jos. G. ROBERTSON, as Secretary.

On motion, a Committee, consisting of MESSRS. CHS. BROOKS, R. D. MORKILL, A. S. HURD, and A. P. BALL, was appointed to examine the Stock Book, and to report the amount which had been subscribed, and what had been paid upon the same.

Adjourned till 6 p.m.

Meeting met as per adjournment, Mr. Smith in the Chair.

The Committee reported \$206,200 subscribed stock, with ten per cent. (including appropriation of Debentures) thereon as paid.

On motion, the following Committee was appointed to nominate Directors to the Bank, viz : Chs. Pennoyer, Jas. Barrie, Thos. Tait, Richard Baldwin, Jr., Wm. Ellis and R. D. Morkill. Said Committee reported the following gentlemen for Directors : Benj. Pomroy, of Compton, Charles Brooks, of Lennoxville, A. A. Adams, of Coaticook, John H. Pope, M.P.P., of Cookshire, Geo. K. Foster, of Richmond, H. L. Robinson, of Waterloo, and R. W. Heneker, of Sherbrooke ; which list when put to the meeting was carried. The Secretary and R. D. Morkill were appointed as Scrutineers of votes.

A ballot being taken, the Scrutineers reported the above gentlemen as chosen, and were declared as elected by the Chairman.

The meeting then adjourned.

HOLLIS SMITH, CHAIRMAN.



COL. BENJAMIN POMROY,
President 1859-'74

MEETING OF DIRECTORS.

SHERBROOKE, JUNE, 6, 1859.

Present : Full Board.

Moved by Mr. Foster, seconded by Mr. Adams, and carried—That J. H. Pope be requested to act as Chairman.

Moved by Mr. Heneker, seconded by Mr. Robinson, and carried—That Col. Benj. Pomroy be the President of the Eastern Townships Bank.

Moved by Mr. Heneker, seconded by Mr. Robinson, and carried—That Charles Brooks be the Vice-President.

Meeting ajourned till to-morrow evening at 9 o'clock.

J. H. POPE, CHAIRMAN.

SPECIAL GENERAL MEETING.

SEPTEMBER, 19, 1859.

Held pursuant to notice, to pass By-Laws for the management of the EASTERN TOWNSHIPS BANK.

The Directors having met at their Banking House at 1 p.m.—adjourned to the Magog House at 3 p.m.

The meeting being then organized, it was moved by Hon. A. T. Galt, seconded by E. Clark, Esq., and carried—That Col. Pomroy be placed in the Chair.

Mr. Heneker was then requested to act as Secretary.

The Secretary having read the notice of the meeting from the Sherbrooke *Gazette*, proceeded under the direction of the Chair to read the By-Laws, as proposed by the Directors—when one by one they passed the following,

BY-LAWS ;

ART. 1. For the transaction of business, the Bank shall

be opened daily from 9 till 12 o'clock in the morning, and from 1 till 4 o'clock in the afternoon, except on Sundays, all legal Holidays, and every day appointed by Proclamation for a general Fast or Thanksgiving.

ART. 2. The days of Discount shall be Tuesdays and Fridays, except any of the holidays observed by the Bank shall fall on those days, when the next following day, not a holiday, shall be substituted therefor.

ART. 3. The President, or in his absence, the Vice-President, shall preside at all meetings of the Directors, and in the absence of both, the senior Director present.

ART. 4. Minutes shall be regularly kept of all the proceedings of the Directors, and shall be signed by the President or Vice-President, or the President *pro tem*.

ART. 5. In case of the insolvency of any Director, he shall cease to be a member of the Board.

ART. 6. The Directors at all times to have free access to the books and papers, and the Cashier to be under the strictest confidence respecting all the business of the Bank except such disclosures as the Charter requires.

ART. 7. A majority of the Directors at any regular meeting may destroy mutilated or damaged bills, and shall make an entry of the same.

ART. 8. The Cashier to hold office at the pleasure of the Directors, and his bond to be in the custody of the President, subject to the order of the Directors.

ART. 9. The books and accounts of the Bank shall be regularly balanced upon the second Saturday of the month of May and November in each year, or upon such other day as the Directors may appoint.

The books for the transfer of shares shall be closed during the fifteen days immediately preceeding the day appointed for the payment of a dividend, and the parties whose names shall stand in the transfer books at the closing thereof as the shareholders of the Bank, shall be the parties

entitled to receive the dividends then or about to be declared.

ART. 10. No person to be employed without the approbation of the Directors.

ART. 11. Weekly statements of the condition of the Bank shall be furnished by the Cashier for the inspection of the directors.

ART. 12. In all cases where a shareholder may vote by proxy, or when any transfer is made or accepted, or dividend received, or other act done by Attorney, such proxy shall be in writing, and lodged with the Cashier.

ART. 13. The firm of a house in trade shall, *if requested*, inform the Bank in writing of the names and residences of the partners, and when the partnership terminates. The firm of a house in trade to be considered as one name only.

ART. 14. No person or firm shall be allowed to become—directly or indirectly—indebted to the Bank more than *ten thousand dollars*.

ART. 15. The Bank will receive notes and bills for collection not having less than ten days to mature, with the distinct understanding that the party having the same does so at his own risk, and the Bank will be responsible *only* for money actually received, and not for any omission, informality, or mistake whatever.

After which the meeting adjourned.

B. POMROY,
CHAIRMAN.

STATEMENT OF THE EASTERN TOWNSHIP BANK.

SHERBROOKE, C.E., September, 1859.

LIABILITIES.

Paid up Capital.....	\$100,210
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ASSETS.

Government Securities.....	\$62,000
Bills of other Banks, (Canada,).....	10,740
Gold,.....	26,803.70
Silver,.....	666.30
	<u>27,470</u>
	\$100,210.

WM. S. FOSTER, CASHIER.

I hereby certify that at the request of the President and Directors of the Eastern Township Bank, I have examined the above statement, counted the monies, and found the same correct. I have also examined the Books and found that the amount of stock required by the Charter has actually been subscribed.

Sherbrooke, September 8, 1859.

WM. RITCHIE, N.P.,
and Registrar of Sherbrooke County.

The following shows the number of Shares subscribed in the different Counties in the Townships, up to December 31, 1859 :

	No. Sub.	No. Shrs.
Town of Sherbrooke and Compton Co.,.....	147	3211
Stanstead County,	68	1271
District of Bedford,.....	122	1110
Richmond and Arthabaska Counties,.....	46	710
Montreal and Quebec,.....	18	374
Foreign,.....	3	140
Total,	<u>404</u>	<u>6,816</u>

WEEKLY STATEMENT.

 SATURDAY December 31, 1859.

LIABILITIES.

Capital.....	\$118,835 00
Circulation	125,339 00
Deposits.....	4,424 80
	<hr/>
	\$248,598 80

RESOURCES.

Coin and Bullion.....	\$27,475 96
Bills and Checks of other Banks.....	3,790 00
Discounts.....	130,417 18
Due from other Banks.....	30,266 10
Government Securities.....	62,000 00
	<hr/>
	\$253,949 24

WM. S. FOSTER,

CASHIER

 GENERAL REMARKS.

The Board of Directors of the Eastern Townships Bank have felt it necessary, (in consequence of the failure of two of the recently chartered banks of Western Canada, and with the view of counteracting any bad impression which these failures may have caused to the new institutions of the country generally, however solidly based) to draw public attention to the following particulars, setting forth the reasons for the formation of their Bank in the first instance ; the basis on which the Bank rests, and the character of the business sought to be done, under the conviction that the wider these facts become known the more the credit of the

institution will be raised to the well being not of the Eastern Townships only, but likewise of those merchants and others who have, or are likely to have business transactions with them.

Up to the date of the organization of the Bank this large and important section of country, with a population of 250,000, was entirely dependent on the City of Montreal and United States Banks located on the Frontier, for all Banking accomodations, and was consequently always liable to be hampered by the necessity those Banks were under of regulating their action by the frequent fluctuation of business in their several localities.

The quiet, steady and unspeculating men of the Township, smarting under this evil, determined, as a last resource, on establishing a local Bank of their own, sufficient to meet all their requirements without the necessity of leaning on outside institutions ; and an inspection of the Stock Books will show the wide extent of the subscriptions scattered over the whole of the Eastern Townships, and comprising all classes of the community, including Merchants, Mechanics, Farmers, Professional and Business men of all kinds.

It would, perhaps have been easier for the promoters of the institution to have raised the capital required from a few wealthy individuals, but the object in view was two-fold : first, to benefit the country, and secondly, to create so wide-spread and deep an interest amongst the people themselves in the well-being of the institution, that it would not only tend to raise the credit of the Townships, but would at the same time be a safeguard against any speculative action on the part of the Bank itself.

Where so large a proprietary exists, and that a proprietary of persons desiring accomodations for the carrying on of their business, it stands to reason that no very large amounts of accomodation to a few will be tolerated, but the safer business of accomodation in small amounts to the many, will be the rule.

With these points in view the Eastern Townships Bank has gone into operation. The Head Office of the Bank is situated in the flourishing Town of Sherbrooke, which, from its central position, its natural capabilities for manufactures, and the stirring and business character of its population, bids fair, with the growth of the country, to become a place of considerable importance. Its present population is 3,500.

There are two Branches. One at Stanstead Plain, in the County of Stanstead ; and the other at the Village of Waterloo, in the District of Bedford.

Both Districts are well known as places of great business capabilities in consequence of their being the centres of highly cultivated counties.

Application has been made for the establishment of two other Branches in flourishing localities, but the Directors, although extremely desirous of satisfying the wants of all localities, and recognizing to the full the disadvantages under which many of the applicants for Branches labor, yet feel that the institution is at present too new to undertake so extended a business, and they would rather test the wants of the country with the present amount of paid up capital, in those districts where their business is already yielding a profitable and safe return, than make an immediate call of more capital for the establishment of new Branches.

Regarding this Bank, however, as essentially an Eastern Townships institution, they will do their utmost to accommodate all localities, as well as all classes of the community.

The Bank commenced operations on the 20th day of September last, and the weekly statement of this date will show its present standing.

Sherbrooke, December 31, 1859.



HEAD OFFICE E. T. BANK 1859



WILLIAM S. FOSTER.
Cashier 1859

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$1,000,000

CAPITAL PAID UP, - - - \$ 133,415

DIRECTORS.

COL. B. POMROY, - - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

R. W. HENEKER, ESQ., G. K. FOSTER, ESQ.

H. L. ROBINSON, ESQ., A. A. ADAMS, ESQ.

J. H. POPE, ESQ.

WM. S. FOSTER, - - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	G. G. STEVENS	Manager
STANSTEAD	A. P. BALL	..

CORRESPONDENTS.

CITY BANK

MONTREAL

EXCHANGE BANK

Boston, MASS

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 31st, 1860.

LIABILITIES

Capital.....	\$133,415.00
Circulation.....	135,152.00
Deposits not bearing Interest.....	4,749.93
Deposits bearing Interest.....	1,798.09
Profit	11,155.02
	<u>\$286,270.04</u>

RESOURCES

Specie.....	\$33,195.97
Bills of other Banks.....	4,018.00
Loans	179,006.44
Due from Banks	8,049.63
Government Securities.....	62,000.00
	<u>\$286,270.04</u>

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIRST ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 4TH, 1860.

The Annual Meeting of the Shareholders of the Eastern Townships Bank, was held in the new Town Hall this day (June 4th).

J. S. Sanborn, Esq., was requested to act as Chairman, and W. S. Foster as Secretary.

After a few preliminary remarks Mr. Heneker read the

REPORT

The Directors of the Eastern Townships Bank submit to the Proprietors the following statement showing the position of the Bank on the 31st of May last.

Profit from opening of Bank in Sept., 1859,	
to May 31st, 1860	\$11,155.02
From which must be deducted Salaries and	
Circulation amounting to.....	3,331.09

A careful consideration of this account and of the General Statement of Liabilities and Resources, giving the result of a little over eight months' operations will prove—the Directors confidently think—satisfactory to the Proprietors and confirm the hopes entertained by the promoters of this Institution, that a Bank of moderate capital, managed

with economy, and suited to the wants of the country, could be successfully carried out in the Eastern Townships.

It was but twelve months ago that the Bank was organized, and it commenced operations on 19th September with a paid up capital of \$100,210. The demands for discounts soon showed that a further capital was required, and an additional call of 10% was made on 10th of November. This call has, with some few exceptions, been promptly met, so that the paid up capital of the Bank on 31st of May was \$133,415, or within \$6,585 of the amount required by law, to be paid up within eighteen months of commencing operations.

The average amount of loans per week has been \$13,736 and, in distributing the loans, the Directors have, in all instances, endeavored to accommodate, proportionately, all their customers, and trust that, even, when for a time, obliged to lay aside good paper, their friends will give them credit for an impartial administration.

The total number of shares taken up is 7,251 leaving a balance of 749 shares, unappropriated. These 7,251 shares are distributed amongst 420 proprietors—a satisfactory proof of the widely spread interest taken in the Bank.

A Branch at Waterloo was opened simultaneously with the commencement of business in Sherbrooke, and although the branch has not yet had the valuable assistance of the gentleman appointed as Manager—owing to Mr. Stevens' unsettled state of health (now happily improving)—yet the affairs of the Bank have not suffered in the interim.

In the course of last autumn a petition for the establishment of another Branch at Stanstead Plain was presented, signed by so many persons of responsibility in Stanstead County that the Directors, after giving careful consideration to the subject, deemed it wise to comply with the request, and appointed Mr. A. P. Ball to the office of Manager there. The returns of this branch have justified the wisdom of the measure.

Latterly, again, another petition has come in from the County of Missisquoi, requesting the establishment of a Branch in that District, and after much correspondence on the subject, the President, accompanied by one of the Sherbrooke Directors, visited the County last week, with the view of giving personal attention to the claim. As yet, however, no further action has been taken in the matter.

In bringing these points to the notice of the Proprietors, the Directors desire to show how generally in the Eastern Townships, the want of such an institution has been felt, and how widely spread is the confidence of the public in the soundness of their basis.

This must prove satisfactory to the Proprietors, when it is borne in mind that it required no small amount of perseverance and courage on the part of the promoters to carry the measure through in the first instance.

The Bank is in correspondence in Montreal with the City Bank, where its notes are redeemed at par, and in Boston with the Exchange Bank of that place.

The accounts, as submitted in the Annual Statement have not been audited, owing to there not having been proper officers appointed for that purpose. It will be the duty of the Proprietors to appoint two or more persons as auditors, who shall not only act for the past, but shall remain in office for the ensuing year, so that in future the Statements exhibited at the Annual Meeting, may be audited before being submitted to the Proprietors.

The amount expended in plates, safes and other charges incidental to the starting of the Bank has been \$4,719.50, which it is proposed to pay off in four equal amounts.

The item of profit in the Statement includes the proportion of interest due on the debentures to the 31st of May, although not yet received from the Government, and it must be charged with salaries of Cashier and Managers of Branches as well as tax on circulation amounting to \$3331.09, leaving a net profit available for dividend of \$7,823.93.

The Directors recommend a dividend of four per cent. on the amount of paid up capital, equal to 6 per cent. per annum. In the payment of this dividend, those proprietors who had paid up in full at the commencement of operations, will get the full amount of dividend, but those who have paid up gradually, will receive an amount less interest at 6 $\frac{1}{2}$ % charged on their unpaid calls, to the time of payment.

It may be interesting to the Proprietors to know the proportions in which the capital has been subscribed and paid up in the several districts of the Bank.

They are as follows :—

Sherbrooke District.....	4388 Shares	\$92,525
Waterloo “ 	1560 “	22,225
Stanstead “ 	1303 “	18,665
	<u>7251</u>	<u>\$133,415</u>

Sherbrooke District per cent of Capital....	69%
Waterloo “ “ 	17%
Stanstead “ “ 	14%
	<u>100</u>

Sherbrooke District per cent of Loans.....	68%
Waterloo “ “ 	18%
Stanstead “ “ 	14%
	<u>100</u>

It will be the duty of the Proprietors to elect seven Directors for the ensuing year, and the present Directors being eligible, offer themselves for re-election.

Moved by E. Clark, seconded by Jas. Barrie and carried unanimously, that the report of the Directors be received and adopted.

Moved by C. A. Bailey, seconded by C. Jordan, that the present Board of Directors be re-elected. Carried by the assent of the undermentioned shareholders :—

T. W. Hurd, W. Farwell, H. H. French, G. G. Stevens, T. S. Morey, J. Barrie, C. A. Bailey, J. H. Cook, R. D. Mor-

kill, T. Griffith, H. Moe, C. Jordan, G. Picard, J. F. Osgood, A. M. Smith, M. Carr, P. Bowen, Jr., R. Baldwin, Jr., W. Ritchie, H. Beckett, J. Hallowell, E. Clark, J. L. French, C. P. Mallory, S. Tuck, Jas. Stokes, E. Lawrence, J. S. Sanborn, E. T. Brooks.

Moved by Mr. Ritchie, seconded by Mr. Morkill and carried unanimously. That the President be asked to accept the sum of one thousand dollars as a gift from the Shareholders for the very valuable services rendered the Bank since its commencement.

The President returned his thanks to the meeting.

Moved by E. Clark, seconded by E. Lawrence, and carried. That a vote of thanks be presented to the Vice-President and Directors for their valuable aid the past year.

Moved by Mr. Ritchie, seconded by R. W. Heneker, and carried. That the thanks of this meeting are offered to the Cashier (Mr. W. S. Foster) the Managers of the Waterloo and Stanstead Branch (H. L. Robinson, Esq., and A. P. Ball, Esq.) and the Exchange Agents of the Bank throughout the country.

Moved by G. R. Robertson, Esq., seconded by W. Walker, Esq. That the Chairman do now leave the chair and that Maj. H. Beckett be requested to take the same. That a vote of thanks be offered to J. S. Sanborn, Esq., for his conduct in the chair.

Adjourned.

J. S. SANBORN,

Chairman.

EASTERN TOWNSHIPS BANK

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - \$1,000,000.00

CAPITAL PAID UP, - \$196,450.00

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHAS. BROOKS, ESQ., VICE-PRESIDENT.

AARON A. ADAMS, ESQ., JOHN HENRY POPE, ESQ.

G. K. FOSTER, ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR. - - - CASHIER

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK

MONTREAL

EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 31st, 1861.

LIABILITIES

Capital.....	\$196,450.00
Deposits.....	37,614.69
Deposits on Int.....	34,847.29
Circulation.. .	173,098.00
Profit.....	19,699.45
	<u>\$461,709.43</u>

RESOURCES

Coin and Bullion.....	\$16,547.79
Bills of other Banks.....	6,049.63
Loans.....	394,967.52
Due from other Banks.....	17,844.49
Government Securities.....	21,900.00
Real Estate.....	4,400.00
	<u>\$461,709.43</u>

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE SECOND ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 3RD, 1861.

The Annual General Meeting of the Shareholders of the Eastern Townships Bank, held the third day of June, at the Magog House, in the Town of Sherbrooke, agreeably to a motion made by C. Brooks, Esq., V.-Pres., seconded by H. L. Robinson, Esq., to adjourn from the Banking House for better accommodation. J. S. Sanborn, Esq., was called to the chair, and William Farwell, Jr., requested to act as Secretary.

The minutes of the last meeting were read and confirmed, when R. W. Heneker, Esq., read the

REPORT

as follows :—

The Statement of Profit per Report 1860 was	\$7,823.93
From which has been paid the	
vote to the President.....	\$1,000.00
And 1st Dividend.....	4,810.00
	5,810.00
Add profits of the past year.....	\$23,115.52
Less Dividend paid 1st Jan'y. last	5,430.00
	17,685.52
Profit as per Statement..	19,699.45
From this must be deducted :—	
1st. The amount due for Salaries, as well as the payment of the travelling expenses of the President and Vice-President	3,000.00

2nd, The instalment of preliminary expenses.....	1,240.00	4,240.00
		<u>15,449.45</u>
The Bank has also further liabilities being a tax on circulation due to the Government and sundry unpaid Bills, amounting to, say.....		3,600.00
		<u>\$11,849.45</u>

It will be seen by an examination of this account and of the Statement of Assets and Liabilities that the affairs of the Bank have continued steadily to improve, and that they show a present state of prosperity which must be highly gratifying to the proprietors at large, but more especially to those who worked strenuously towards its formation.

The Capital Stock which at the last Annual Meeting stood at the sum of \$133,415.00 has been increased to the sum of \$196,450.00.

The whole of the capital of the Bank has now been subscribed for.

In consequence of this increase the Directors have been able to extend their business to another District of the Eastern Townships, viz.; the County of Missisquoi, the oldest settled, and one of the wealthiest and most prosperous districts of the country. Before the establishment of this Branch the County of Missisquoi was flooded with Vermont money, and the people looked across the frontier for all Banking accommodation. Even in a National point of view this was an evil, for but little proof is required to show that self-interest is commonly a ruling motive of patriotism. The opening of this Branch, therefore, in cementing more closely the business ties of the several parts of the Eastern Townships tends at the same time to strengthen the feeling of nationality, which so happily exists throughout every section of the country.

The Directors feel that they have been fortunate in their appointment of Manager to this new Branch, Mr. Baker

having fully justified the high estimation in which he was held.

The only change in the management of the Bank during the past year has been the retirement of Mr. W. S. Foster from the office of Cashier and the temporary employment of Mr. Doak, and the more permanent employment of Mr. Farwell.

The Directors feel satisfied that the Proprietors, and the public at large, have approved of the conduct of Mr. Farwell from the date of his appointment, and most certainly no department of the Bank has in any way suffered in his hands.

The past year has been one of trial to the country. The state of affairs amongst our neighbors, succeeding the late Presidential election, has gone on from bad to worse, ending in that awful calamity to any country—civil war. Business of every kind has been more or less affected, and markets have been unsettled. A panic prevailed for a time, and many of the Southern and Western Banks of the United States stopped specie payment.

The Directors feel that it is next to impossible at the present time to foretell what the effect may be on the business of Canada. The Eastern Townships look to New England as their best market, and anything tending to upset business there, must affect the price of produce here. On the other hand the supplies required for the maintenance of large bodies of troops in the field may cause some stir amongst our producers.

The policy of the Bank in the meantime must be that of extreme caution, and the Directors feel assured that the Proprietors and the public will give them credit, even should they for a time be obliged to restrict their loans, for desiring to do the best for the interests of all.

The Directors have declared a Dividend of four per cent for the half year on the paid up capital of the Bank, payable on the first day of July, which will leave a Reserve fund of say \$4,259.00.

Moved by Mr. Arba Stimson, and seconded by Mr. L. E. Morris, that the report be received. Carried unanimously.

Moved by Mr. E. Clark, seconded by Mr. A. O. Kellam and carried unanimously, that the Report be adopted.

Moved by Mr. C. A. Bailey, seconded by Mr. J. L. French, that the present or old Board be re-elected.

Carried by the assent of the following gentlemen :—
W. Ritchie, C. P. Mallory, Jno. Walker, J. C. Baker, J. F. Osgood, L. E. Morris, W. A. Taylor, A. Stimson, A. O. Kellam, S. J. Pomroy, J. H. Cook, R. W. Heneker, R. Baldwin, Jr., Jos. Smith, J. S. Sanborn, J. L. French, Geo. W. Hawse, Chas. Brooks, A. Knight, R. D. Morkill, A. T. Galt, H. L. Robinson, Jno. McClary, E. D. Worthington, C. Jordan, L. Sleeper, J. H. Pope, E. Clark, C. A. Bailey, James Barrie, M. Bostwick, A. M. Smith, H. Moe, Major Beckett.

Moved by Wm. Ritchie Esq., seconded by Hon. A. T. Galt, and carried unanimously, that the President be asked to accept the sum of One Thousand Dollars as a small compensation for his valuable services during the past year.

Moved by L. E. Morris, Esq., seconded by A. Stimson, Esq., that a vote of thanks be tendered to the President and Directors of the Bank for their valuable services during the past year.

Moved by E. Clark, Esq., seconded by R. D. Morkill, Esq., that a vote of thanks be tendered the late Cashier, the present Cashier, and the Managers of the respective Branches for their valuable services during the past year, also to the Exchange Agents.

Moved by Mr. A. O. Kellam, and seconded by Hon. A. T. Galt, that Mr. Sanborn do leave the chair and that Mr. Ritchie be requested to take the same.

Moved by Rev. C. P. Mallory, seconded by L. Sleeper, Esq., that a vote of thanks be tendered Mr. Sanborn for his able conduct in the Chair.

J. S. SANBORN,

Adjourned.

Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	-	\$ 228,128
RESERVE, FUND	-	-	-	\$ 3,259

DIRECTORS.

COL. BENJ. POMROY. - PRESIDENT.

CHARLES BROOKS, ESQ., VICE-PRESIDENT.

AARON A. ADAMS ESQ., JOHN HENRY POPE, ESQ.

G. K. FOSTER, ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR. - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK

MONTREAL

EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 23rd, 1862.

LIABILITIES

Capital Paid in.....	\$228,128.00	
Bills in Circulation	88,987.00	
Deposits not bearing interest.....	58,631.92	
Deposits bearing Interest.....	48,930.42	
		107,562.34
Reserve Fund.....	3,259.00	
Balance of Profit for year.....	18,221.06	
		21,480.06
		<u>\$446,157.40</u>

RESOURCES

Cash on hand :

Coin and Bullion	\$27,795.77	
Bills and Checks of other Banks.....	9,252.25	
		37,048.02
Government Securities		31,633.33
Due from other Banks.....		16,185.85
Loans		356,790.20
Real Estate.....		4,500.00
		<u>\$446,157.40</u>

WM. FARWELL, JR.,
Cashier

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRD ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1862.

The Annual Meeting of the Shareholders of this Institution took place at their Banking House, in the Town of Sherbrooke, at 2 o'clock, on Monday, 2nd inst.

Mr. Edmund Longley was called to the chair, and the Cashier appointed Secretary.

Mr. R. A. Ellis and the Secretary were appointed Scrutineers, after which the meeting adjourned to the Magog House.

On re-assembling, the minutes of the last Annual Meeting were read and confirmed.

The usual statement was then submitted by Mr. Heneker, after which he read the following Report of the Directors.

REPORT

The Directors of the Eastern Townships Bank submit to the Proprietors the accompanying Statement, showing the position of the Bank on the 23rd ultimo.

The Directors refer with pleasure to the Statement, and congratulate the Proprietors on the steady maintenance of their business, even during the very trying periods of the past financial year.

The paid up Stock which stood at the last annual meeting at \$196,450.00 has been increased to \$228,128.00, or more than one-half the amount of the authorized capital of the Bank.

The Deposits have also increased within the same period by upwards of \$11,000, and the Specie and Securities have been added to, the former by upwards of \$11,000, and the latter by nearly \$10,000.

The war in the United States has told on the circulation of the Bank to a very marked extent ; the decrease between the circulation at 31st May, 1861, and the present date being no less than \$84,000, about one-half the whole amount, and this notwithstanding the increased amount of paid up Stock above noticed.

This decrease in the circulation, caused mainly by the suspension of Specie payments in the States, which rendered it impossible to take New England money, excepting at a heavy discount, has obliged the Bank to restrict its loans, so that the amount under this head will be found to be less than in 1861 by the large amount of \$38,000.00.

The Directors cannot but regret that in a period of depression such as has existed during the past year,—when every interest in the country has more or less suffered from the painful state of affairs, still going on amongst their neighbors in the States,—they should have been obliged from a regard to their own security, to circumscribe their loans, but the Proprietors may rest assured that no single individual can be more desirous than they have been to extend legitimate aid to trade where it was in their power to do so with safety.

The result of the American War so far on the trade of the Eastern Townships has surprised and disappointed many of the oldest heads and soundest thinkers in the country—for although it was known that manufactures must stop for a time—and trade to a certain extent be suspended—yet there was reasonable grounds for supposing that all articles of food would be in the greatest demand owing to the maintenance of such enormous armies in the field and the waste attendant on the operations of war. Instead of this, produce of all kinds has ruled lower than has been known for

years, and nothing but the bountiful hay crop of last year—large beyond precedent—has saved our cattle market from a very great depreciation.

The Eastern Townships do not stand alone in being thus afflicted by the low prices of produce ; some accounts from the West indicate a really frightful state of affairs—corn burnt for fuel—the price not being sufficient to cover the cost of shelling and transport to the railway ; and similar low prices for beef, pork, and every article of produce.

Fortunately for the Townships, the Quebec Market required much larger supplies than usual owing to the greatly increased amount of shipping which was attracted to the St. Lawrence—and the Sherbrooke Cattle market, inaugurated last year, concentrated a trade which would otherwise have been spread over the whole surface of the Lower Province.

The following is a statement of the Profits for the year :

The Balance of Profit on 31st May, 1861, was.....	\$19,699.45
From which deduct amount passed to Reserve Fund.....	3,259.00
	<hr/>
	\$16,440.45
To which must be added the gross earnings of the past financial year.....	31,653.96
	<hr/>
	\$48,094.41
1st. Out of this has been paid two Dividends, Nos. 3 and 4, in July and Jany. last..	\$16,136.00
2nd. Instalment of General Expense account, leaving only \$2400 of this account now due.....	1,240.00
3rd. The Expense of new \$4 plate—salaries— tax on circulation since commence- ment of operations by the Bank, and the incidental expenses of the year...	12,497.35
	<hr/>
Net Profit for the year	\$18,221.06

which sum is available for Dividend after payment of salaries and incidental expenses. The Directors have out of this sum declared a Dividend for the half year, payable on the first July next, of four per cent. This will leave a Reserve Fund, after payment of Salaries and Expenses, of about \$7,000.

A call of ten per cent payable at even date with the payment of the dividend has also been made.

All this respectfully submitted.

CHAS. BROOKS,
Vice-President.

It was moved by Mr. L. E. Morris, seconded by Mr. E. Clark, and carried unanimously ;—

“That the report now read be received.”

It was moved by Mr. Wm. Ritchie, seconded by Mr. E. Lawrence, and carried unanimously :—

“That the Report of the Board be adopted and printed for the information of Stockholders.”

It was moved by Mr. Wm. Ritchie, seconded by Mr. C. A. Bailey, and carried unanimously :—

“That the thanks of the meeting be tendered the President, Vice-President and Directors, for their attention to the interest of the Bank for the past year, and that the President be asked to accept the sum of one thousand dollars for his services.”

It was moved by Mr. E. Clark, seconded by Mr. J. F. Osgood, and carried unanimously :—

“That the thanks of the meeting be tendered the Cashier, Managers and Exchange Agents, for their attention to the interest of the Bank the past year.”

There being no other business before the meeting it was moved that the Chairman do leave the chair and that Mr. Wm. Ritchie be requested to take the same, when the

thanks of the meeting were voted Mr. Longley for his able and dignified conduct in the chair.

The Scrutineers afterwards reported the following gentlemen as elected, being the old Board :—Benj. Pomroy, Charles Brooks, Aaron A. Adams, John Henry Pope, G. K. Foster, R. W. Heneker, H. L. Robinson.

The Board newly elected met at the Bank the same day, and re-elected Benjamin Pomroy, Esq., President, and Charles Brooks, Esq., Vice-President.

E. LONGLEY,
Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	\$ 240,250
RESERVE FUND,	-	-	\$ 6,000

DIRECTORS.

COL. B. POMROY, - - - PRESIDENT.

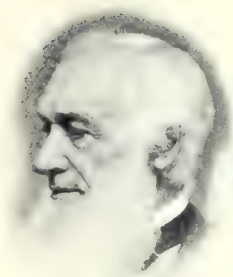
CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

R. W. HENEKER, ESQ., G. K. FOSTER, ESQ.

H. L. ROBINSON, ESQ., A. A. ADAMS, ESQ.

J. H. POPE, ESQ.

WM. S. FOSTER, - - - CASHIER.



A. A. Adams



Hon. J. H. Pope



G. K. Foster



Chas. Brooks, Vice-President 1859



H. L. Robinson

FIRST DIRECTORS, 1859

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK

MONTREAL

EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 23rd, 1863.

LIABILITIES

Capital Paid in.....	\$240,250.00	
Bills in Circulation	72,481.00	
Deposits not bearing interest.....	79,261.83	
Deposits bearing Interest.....	22,407.76	
		101,669.59
Reserve Fund.....	6,000.00	
Balance of Profit for year.....	14,978.21	
		20,978.21
		<u>\$435,378.80</u>

RESOURCES

Cash on hand:

Coin and Bullion	\$23,665.34	
Bills and Checks of other Banks.....	31,657.11	
		55,322.45
Government Securities		31,633.33
Due from other Banks.....		29,461.19
Loans		314,461.83
Real Estate.....		4,500.00
		<u>\$435,378.80</u>

WM. FARWELL, JR.,
Cashier

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE FOURTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1ST, 1863.

The Fourth Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Town of Sherbrooke on Monday, first day of June instant.

On assembling at the Bank it was moved by J. H. Pope, Esq., seconded by R. W. Heneker, Esq., and carried unanimously, that the Honorable A. T. Galt act as chairman.

The Cashier was appointed Secretary.

On motion of H. L. Robinson, Esq., seconded by Charles Brooks, Esq., R. D. Morkill, Esq., and the Secretary were appointed Scrutineers.

Moved by R. W. Heneker, Esq., seconded by E. Clark, Esq., that the meeting adjourn to the Magog House. Carried.

On re-assembling at the Magog House the minutes of the last annual meeting were read and confirmed.

Mr. Heneker, on behalf of the Directors, then read the following

REPORT.

The Directors of the Eastern Townships Bank submit to the Proprietors the accompanying statement of the affairs of the Bank on the 23rd ult.

The business of the Bank for the last year has continued to be satisfactory, notwithstanding the extreme pressure of the times -- a pressure necessarily more felt in the country owing to the market for beef in the United States being almost entirely closed to farmers, than in the cities, where,

if there be a falling off in one item of trade, there is frequently some counterbalancing prosperity in others.

The Bank has had great difficulties to contend with in the violent fluctuations in American currency, rendering it almost impossible to foresee the course of business for even a few hours in advance. The price of gold in the States has advanced from a little above par, at which it stood in May of last year, to over, at one time, 70 per cent premium ; and although it has again receded to a more moderate, though still very high figure, yet it is quite possible that it may again advance even in a more rapid ratio than before.

The Directors have through this extended crisis felt it to be absolutely necessary before all things to be cautious in their dealings ; but they trust they will have credit for the desire to foster all legitimate operations, while they at the same time wished to discourage mere speculation.

The difference in value between silver and gold having led to an enormous importation of silver, has also had a great effect in the Bank circulation, causing it to recede from even the low figure at which it stood at the last annual meeting, to only \$72,481, the present circulation of the Bank—a falling off of over \$16,000, although the capital of the Bank has in the meantime been increased.

As regards the Stock of the Bank, there has been, as the Proprietors are aware, six calls of ten per cent each, and the paid up capital now stands at the amount of \$240,250.

By the Charter the whole of the Stock is required to be paid up within five years from the commencement of business ; so that an amount of \$159,750 is required within the next fifteen months.

Under ordinary times this would have been a matter of no difficulty, but the present is not a time when the inhabitants of the Eastern Townships are overburdened with spare means, and the farmers, mechanics and traders throughout the country being the principal holders of stock, are, the Directors think scarcely in a position to answer the remain-

ing calls, within the time prescribed by law, without difficulty. The opinion of the meeting will therefore be taken as to whether the remaining calls should be made at once, or whether application should be made to the Legislature at its next session for delay, owing to the peculiar nature of the times.

The Directors feel that the American civil war is the only drawback to the present rapid advancement of the Townships in population and wealth.

The discoveries of copper and other metals have drawn great attention to the country, and a large amount of capital has been already invested in mining, with the prospect of its being greatly increased. These discoveries have added one new link to the chain of undeveloped wealth which the Eastern Townships possess.

With the possession of rich mines of the industrial metals in combination with great manufacturing capabilities and excellent farming land, it would seem that time alone is required to bring these resources into play, and make the country prosperous and independent in a high degree.

The following shows the profits of the year —

The balance of Profit on 23rd May, 1862.....		\$18,221.06
From which must be deducted the amount passed to Reserve Fund.....		2,741.00
		<u>\$15,480.06</u>
Add the gross earnings of the past financial year ending 23rd ult.....		29,789.55
Out of this must be deducted :—		<u>\$45,269.61</u>
1. Vote to the President at the last annual meeting.....	\$1,000.00	
2. Two dividends, Nos. 5 and 6, paid July and January.....	16,036.00	
3. Instalment of preliminary Expense Account.....	1,241.56	
4. Salaries for financial year ending 1st June, 1862, not heretofore charged.....	3,533.34	
5. Salaries for half year ending 1st Dec., 1862.....	1,900.00	
6. Incidental expenses, including interest to Depositors, Government Tax on Circulation, and ordinary general expenses.....	6,580.50	\$30,291.40
Balance.....		<u><u>\$14,978.21</u></u>

Which sum is available for dividend after payment of the salaries for the half year ending this day.

The Directors have out of this sum declared a dividend for the half year payable on the 1st of July next, of three per cent.

The Reserve Fund will be increased from \$6,000, at which it stands at present, to \$10,000, and the remaining item of preliminary expense will be paid off.

All this respectfully submitted.

B. POMROY,

Sherbrooke, 1st June, 1863.

President.

After the Report had been read the Chairman made a few appropriate remarks, when the following Resolutions were put and carried unanimously :

Moved by E. Clark, Esq., seconded by E. Walker, Esq. :
That the Report now read be received.

Moved by R. D. Morkill, Esq., seconded by Rev. C. P. Mallory : That the Report of the Directors be adopted and printed for the information of the Shareholders.

Moved by Rev. C. P. Mallory, seconded by E. Clark, Esq. : That the thanks of the meeting be tendered the President, Vice-President and Directors, for their attention to the interests of the Bank for the past year, and that the President be asked to accept the sum of one thousand dollars as a compensation for his valuable services for the past year.

Moved by Charles Whitcher, Esq., seconded by the Hon. J. S. Sanborn : That the thanks of this meeting be tendered to the Cashier, Managers and Exchange Agents, for their attention to the interests of Bank for the past year.

On the discussion of the paragraph in the Report relating to the unpaid Capital of the Bank, it was resolved that it is at present inexpedient to come to any decision, as there will be ample time within the next fifteen months to call a special meeting of the Proprietors if necessary.

There being no further business before the meeting, it was moved that the Chairman do leave the Chair, and that the Hon. J. S. Sanborn do take the same, when the thanks of the meeting were voted to Hon. A. T. Galt for his able conduct in the chair.

The Scrutineers afterwards reported the old Board of Directors re-elected.

Benjamin Pomroy, Esq., was re-elected President, and Charles Brooks, Esq., Vice-President, at the Board Meeting the same day.

A. T. GALT,
Chairman.



A. P. BALL, First Manager, Stan read.



HON. G. G. STEVENS, Senator.
First Manager, Waterloo Vice President 1879 92

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,000,000.00

CAPITAL PAID UP, - - - \$ 253,575.00

RESERVE FUND, - - - \$ 10,000.00

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

AARON A. ADAMS, ESQ., JOHN HENRY POPE, ESQ.

G. K. FOSTER, ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR., - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK

MONTREAL

EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 31st, 1864.

LIABILITIES

Capital Paid in.....		\$253,575.00
Bills in Circulation.....		80,504.00
Due other Banks.....		5,203.62
Deposits not bearing Interest.....	46,143.17	
Deposits bearing Interest	48,656.94	
		<hr/>
		94,800.11
Reserve Fund.....	10,000.00	
Balance of Profit for year.....	20,300.61	
		<hr/>
		\$30,300.61
		<hr/>
		\$464,383.34
		<hr/>

RESOURCES

Coin and Bullion.....	\$37,072.76	
Bills and Checks of other Banks.....	14,834.75	
		<hr/>
		51,907.51
Due from other Banks.....		19,120.70
Government Securities.....		31,633.33
Loans		357,221.80
Real Estate.....		4,500.00
		<hr/>
		\$464,383.34
		<hr/>

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 6TH, 1864.

The Fifth Annual Meeting of the Shareholders of the Eastern Townships Bank, was held in the Town of Sherbrooke, on Monday, the sixth day of June instant. The notice of the meeting having been read, it was moved by B. Pomroy, Esq., seconded by A. A. Adams, Esq., that Rev. C. P. Mallory act as Chairman of the meeting. Carried.

The Cashier was appointed Secretary.

Moved by H. L. Robinson, Esq., seconded by Charles Brooks, Esq., that R. D. Morkill, Esq., and the Secretary, act as scrutineers of votes. Carried.

On motion of A. M. Smith, Esq., seconded by Milton Carr, Esq., the meeting then adjourned to the Magog House. On re-assembling the minutes of the last annual meeting were read and confirmed.

The Secretary, on behalf of the Directors, then read the following

REPORT

The Directors of the Eastern Townships Bank have much pleasure in submitting to the Proprietors the accompanying statement, showing the position of the Bank on the 31st ult.

The Stock of the Bank now stands at the amount of \$253,575.00 paid up : seven calls of ten per cent each having been made. It was thought desirable to apply to Parliament to extend the time for the payment of the balance of the Stock, and the Directors have no reason to doubt that the

Act for this purpose will pass the Legislature without difficulty.

The circulation of the Bank, owing to the large amount of silver afloat, is proportionately the same as last year, taking into account the increase in the amount of paid-up Stock. The Bills of the Bank being redeemable in Montreal at par, are consequently equal to gold for the payment of City debts, and a very small proportion of these Bills remain in the hands of the public, beyond what is required for absolute use.

The Directors desire also to inform the Proprietors that in consequence of the changes introduced by the late Government, by which all Government deposits are required to be kept with the Bank of Montreal, they have made satisfactory arrangements with the Bank of Montreal to act as its agents in the Eastern Townships for these deposits.

The business of the Bank for the past year has been very satisfactory and the Directors see with pleasure that the Eastern Townships are steadily advancing in prosperity. The improvement seems to be shared in by town and country alike.

The mineral discoveries continue to be developed with increased enterprise and energy. Besides the mines of copper, (many of which are now being worked) extending over so large an area of country, gold has recently been found, apparently in workable quantities, in the Townships of Ascot, Hatley, Eaton, Dudswell, &c., &c. Should these discoveries prove of the value assigned to them by many eminent persons, the effect on the advancement of the country must be necessarily great.

The following is a statement of the average loans at the several offices of the Bank for year, and total loans :

Sherbrooke	\$154,712.60
Waterloo	96,355.02
Stanstead.....	52,104.41
Stanbridge.....	31,392.61
Total average loans.....	\$334,564.64

The following is a statement of the Profits for the year :

Balance of Profit on 23rd May, 1863.....	\$14,978.21	
Deduct amount passed to Reserve Fund	4,000.00	
	<u>\$10,978.21</u>	
Add gross earnings for past financial year ending 31st ult..	33,065.21	
	<u>\$44,043.42</u>	
Out of this must be deducted : -		
1. Vote to the President at the last annual meeting.....	\$1,000.00	
2. Dividends Nos. 7 and 8, paid in July and Jan.	14,543.00	
3. Balance preliminary expense account.....	1,240.00	
4. Salaries to 1st December last.....	3,800.00	
5. Incidental expenses, including Government tax on circulation.....	3,159.81	23,742.81
Balance.....	<u>\$20,300.61</u>	

which sum is available for dividend after payment of the salaries for the half year ending 31st May.

The Directors have declared a dividend for the half year, payable on the 4th of July next, of three and a half per cent.

It is proposed to apply \$5,000 of the balance, after payment of a dividend, to the increase of the Reserve Fund, which will then stand at the sum of \$15,000, being equivalent to about six per cent on the paid up capital.

The amount still left from the profits of the year will be carried to a contingent Fund, to meet any probable losses that may hereafter accrue to the Bank.

Respectfully submitted.

B. POMROY,

President.

Moved by R. D. Morkill, Esq., seconded by A. M. Smith, Esq., that the report now read be received.

After some congratulatory remarks by stockholders on the position and prospects of the Bank, it was

Moved by E. Clark, Esq., seconded by F. D. Gilbert, Esq., that the Report of the Directors be adopted, and printed for the information of the Stockholders. Carried.

Moved by E. Clark, Esq., seconded by Rev. C.P. Reid, that the thanks of the meeting be tendered to the President, Vice-President, Directors and all the Officers of the Bank, for their attention to its interests for the past year, and that the President be asked to accept the sum of one thousand dollars as a compensation for his valuable services. Carried.

The meeting was then adjourned for the election of Directors. On being called to order again the Scrutineers reported the following gentlemen elected, being the old Board, viz., B. Pomroy, Charles Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster and H. L. Robinson.

There being no further business before the meeting, it was moved that the Chairman leave the Chair and that F. D. Gilbert, Esq., take the same; when the thanks of the meeting were voted Rev. C. P. Mallory for his able conduct in the chair.

At the Board meeting same day the following officers were elected :—B. Pomroy, President ; Charles Brooks, Vice-President.

C. P. MALLORY,
Chairman,

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,000,000.00
CAPITAL PAID UP,	-	-	\$ 284,254.50
RESERVE FUND,	-	-	\$ -15,000.00

DIRECTORS.

COL. B. POMROY, - - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

A. A. ADAMS, ESQ. R. W. HENEKER, ESQ.,

G. K. FOSTER, ESQ. J. H. POPE, ESQ.

H. L. ROBINSON, ESQ.,

WM. FARWELL, JR., - - - CASHIER.

1865



WM. G. PARMELEE.

Manager Waterloo Branch 1861-1876

Ex-Deputy Minister Trade and Commerce
now residing at Ottawa.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK	MONTREAL
EXCHANGE BANK	BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 31st, 1865.

LIABILITIES

Capital Paid in.....	\$284,254.50	
E. T. Bills in Circulation.....	62,882.00	
Due to other Banks.....	6,144.28	
Deposits not bearing Interest.....	55,839.24	
Deposits bearing Interest.....	47,442.85	
		<hr/>
		103,282.09
Reserve Fund.....	15,000.00	
Contingent Fund.....	2,000.00	
Balance of Profit for year.....	16,594.78	
		<hr/>
		\$33,594.78
		<hr/>
		\$490,157.65
		<hr/>

RESOURCES

Coin and Bullion.....	\$38,810.52	
Bills and Checks of other Banks.....	21,376.01	
		<hr/>
		60,186.53
Due from other Banks.....		26,534.85
Government Securities.....		43,500.00
Loans.....		355,436.27
Real Estate.....		4,500.00
		<hr/>
		\$490,157.65
		<hr/>

WM. FARWELL, JR.,
Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE SIXTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 5TH, 1865.

The sixth Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Town of Sherbrooke on Monday, the fifth day of June instant.

The notice of the meeting having been read, E. Clark, Esq., moved, seconded by R. W. Heneker, Esq., that Rev. C. P. Mallory act as Chairman of the meeting. Carried.

R. D. Morkill, Esq., moved, seconded by R. W. Heneker, Esq., that the Cashier act as Secretary. Carried.

E. Clark, Esq., moved, seconded by B. Pomroy, Esq., that Messrs. R. D. Morkill and A. M. Smith, act as Scrutineers of votes. Carried.

A. M. Smith, Esq., moved, seconded by E. T. Brooks, Esq., that the meeting adjourn to the Magog House. Carried.

On re-assembling, the minutes of the last annual meeting were read and confirmed.

Mr. Heneker, on behalf of the Directors, then read the following

REPORT

The Directors of the Eastern Townships Bank have again great pleasure in meeting the Proprietors, and beg to submit to them the accompanying statement of the affairs of the Bank on the 31st ult.

The paid-up stock of the Bank now stands at the amount of \$284,254.50 against \$253,575.00 at this time last year, showing an increase without any call having been made, of \$30,679.50.

As mentioned in the last annual report, the Directors thought it desirable to ask the sanction of the Legislature to extend the time for the payment in full of the stock, and they are happy now to report that the amended Act, giving an extension of three years from September last, was passed in the session of 1864.

The circulation of the Bank still continues to be very small from the same causes which have operated so disadvantageously since the commencement of the struggle in the United States, and the Directors cannot hope for any great change in this respect for the better until the resumption of specie payment in the neighboring Republic.

The business of the Bank for the past year, although not quite so profitable as in the previous year, has under the circumstances of the times been very satisfactory.

An improvement is already manifest in the ordinary channels of trade. Americans dealers are again seen on the market for cattle and produce, and should the price of Gold continue to fall, a healthy revival of trade for the staples of industry may not unreasonably be looked for.

The Mining industry of the community, so seriously affected within the last twelve months by the great rise in the value of gold last summer and autumn, did not at any time wholly cease to induce the investment of new capital, but of late a new impetus seems to have been given to a healthy resumption of operations, by valuable discoveries in the Massawippi Valley, and the formation of working companies in that locality. Gold mining seems also likely to attract capital, and if found remunerative, must greatly advance the well-being of the community in its neighborhood, as there seems but little doubt that organized companies will be required to obtain the precious metal, rather than mere individual labor.

The Directors are glad also to notice the increased business of the Town of Sherbrooke, the Village of Waterloo and other places, the scenes of their operations, where new manufactures of improved character, carried on by men of ability and capital, seem to be rising up gradually.

The Eastern Townships, embracing thus the various pursuits of Agriculture, Manufactures and Mining, must in time become the scene of great industry and wealth, giving a good return for banking capital.

The Directors have declared a Dividend of three and one-half per cent. on the paid-up capital, carrying \$3,000 as an increase to the Reserve Fund which thus stands at \$18,000.

The contingent fund has been drawn upon during the year in consequence of the sale of the American money, the premium on which had been previously carried to Profit. It now stands at \$2,000 which the Directors think amply sufficient to meet any possible contingency of loss that may arise from bad debts.

It is satisfactory to the Directors to be able to state that they have made no real loss in their dealings in the United States paper.

The following is a Statement of Profits for the year :—

Balance of Profit on the 31st May, 1864.....	\$20,300.61
Deduct amount passed to Reserve Fund.....	\$5,000.00
Deduct amount passed to Contingent Fund	3,289.61
	8,289.61
	\$12,011.00
Add gross earnings for past financial year.....	29,919.46
	\$41,930.46
Out of this must be deducted :—	
Vote to President at last Annual Meeting.....	\$1,000.00
Dividends Nos. 9 and 10, paid in July and January last.....	17,896.00
Salaries to 1st December last	4,400.00
Incidental Expenses	2,039 68
	25,335.68
	<u>\$16,594.78</u>

The retiring Directors, being all eligible, offer themselves for re-election.

The whole respectfully submitted,

B. POMROY,
President.

A. M. Smith, Esq., moved, seconded by W. Weston Esq., that the report now read be received. Carried.

R. W. Heneker, Esq., moved, seconded by J. H. Cook, Esq., that the Report of the Directors be adopted, and printed for the information of the Stockholders. Carried.

L. E. Morris, Esq., moved, seconded by E. D. Worthington, Esq., that the thanks of this meeting be tendered to the President, Vice-President, Directors, and all the officers of the Bank, for their attention to its interests, and that the President be asked to accept the sum of one thousand dollars as a compensation for his valuable services for the past year. Carried.

The election of Directors was then proceeded with.

There being no further business before the meeting, B. Pomroy, Esq., was requested to take the chair, when it was moved that the thanks of this meeting are due and hereby tendered Mr. Mallory for his able conduct in the chair. Carried.

The following is the report of the Scrutineers :—

Magog House, Sherbrooke,
5th June, 1865.

W. FARWELL, JR., Esq.,

Cashier, Eastern Townships Bank.

Sir :—We, the undersigned, appointed Scrutineers, at

the Annual Meeting of Shareholders this day, beg to report the following named gentlemen re-elected :—

B. Pomroy, Chas. Brooks, A. A. Adams, G. K. Foster,
R. W. Heneker, J. H. Pope, H. L. Robinson.

We are, Sirs,

Your obed't serv'ts,

R. D. MORKILL }
A. M. SMITH } Scrutineers.

At the Board Meeting same day, the following officers were re-elected :—B. Pomroy, President ; Chas. Brooks, Vice-President.

C. P. MALLORY,
Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,000,000

CAPITAL PAID UP, - - - \$ 334,081

RESERVE FUND - - - - \$ 18,000

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHARLES BROOKS, ESQ., VICE-PRESIDENT.

AARON A. ADAMS, ESQ., JOHN HENRY POPE, ESQ.,

G. K. FOSTER, ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR., - - - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

CITY BANK	MONTREAL
EXCHANGE BANK	BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 30th, 1866.

LIABILITIES

Capital Paid in.....	\$334,081.00	
Eastern Townships Bank Bills in Circulation. . . .	102,466.00	
Due other Banks.....	5,708.14	
Deposits not bearing interest.....	60,001.13	
Deposits bearing Interest.....	55,661.33	
		115,662.46
Reserve Fund.....	18,000.00	
Contingent Fund.....	5,600.00	
Balance of Profit for year.....	21,387.86	
		44,987.86
		<u>\$602,905.46</u>

RESOURCES

Coin and Bullion.....	\$26,756.52	
Bills and Checks of other Banks.....	32,073.62	
		58,830.14
Due from other Banks.....	33,022.63	
Government Securities.....	67,833.33	
Loans.....	438,719.36	
Real Estate.....	4,500.00	
		<u>\$602,905.46</u>

WM. FARWELL, JR.,
Cashier

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE SEVENTH ANNUAL MEET- ING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1866.

The seventh Annual Meeting of the Shareholders of the Eastern Townships Bank, was held at their Banking House in the Town of Sherbrooke, on Monday, the 2nd day of June instant.

On motion of J. H. Pope, Esq., seconded by Rev. C. P. Reid, Rev. C. P. Mallory was called to the Chair.

The Cashier was appointed Secretary.

Messrs. J. G. Robertson and R. D. Morkill, were appointed scrutineers of votes.

The minutes of the last Annual Meeting were read and confirmed.

Mr. Charles Brooks, Vice-President, on behalf of the Directors, then read the following

REPORT.

The Directors of the Eastern Townships Bank, elected at its first establishment in 1859, and since annually re-elected, make their seventh annual bow to the Shareholders, and beg to present the annexed statement of its affairs up to the 30th May.

For the convenience of comparison, we annex the annual statements of previous years, with the rate of dividend declared half yearly.

The paid-up Stock now stands at \$334,081 against

\$284,254,50 last year, leaving the sum of \$65,919 to be made up by September, 1867, in order to complete the capital authorized by Charter, viz., \$400,000.

It will be noticed that the circulation of the Bank, although considerably in excess of last year, is still much below the amount reached during the first year of its operations, which may be accounted for in part by the large and constantly increasing amount of deposits (a circumstance showing the confidence of the Capitalists of the country in the safety and stability of the institution), but principally from the large amount of silver in circulation throughout the country, the latter cause, however, damaging to the country at large as well as to the Bank, cannot be expected to be remedied until the resumption of specie payments by the banks of our neighbors across the border, a much to be desired epoch, which they trust will be brought about by your next annual meeting.

The business of the Bank for the past year, showing a considerable increase of profits over any previous year, has been quite satisfactory to the Directors and they trust will be also to the Shareholders.

The Directors believe the country was never in a better position financially than at the present time, owing, under a kind Providence, to the bountiful crops of 1865, and the large and remunerative prices realized by our producers for their surplus cattle and produce, not only for export to the neighboring States, but also to the mother country.

The recent terrible revulsion in England, which from the latest accounts would appear to be gradually subsiding, we do not apprehend will have any serious effect upon the finances of Canada, although from the intimate commercial relations between us and the mother country we must necessarily be more or less affected by the prosperity or adversity of that country financially; still from the present strong position of our Banks and Merchants, no great stringency is to be apprehended from these troubles, it is but wise, however

to guard against any possible straights arising from the present or any other difficulty on the other side of the Atlantic, by keeping our matters well in hand.

The Directors view with much satisfaction the revival in the mining industry in this section of the country, and also the building up in our midst of manufacturing establishments, and trust that a large increase may be made in both these branches of industry, to encourage which, they believe to be the duty as well as for the interest of the Bank, as far as practicable, with a proper regard to the wants and requirements of its customers, in other branches of business.

It will be remembered that during the last winter a daring attempt at robbery was made upon the Branch at Stanbridge, which was happily frustrated by the coolness and pluck of the manager's assistant, Mr. Briggs, and the Directors thought it but right to convey to him their thanks, accompanied by a small sum of money, not only to show their appreciation of his services on that occasion, but as an encouragement to him and others, should any like attempt be made in the future.

During the "Fenian excitement" the President visited the Branch at Stanstead, and the Vice-President the Branches at Waterloo and Stanbridge, to see that all the surplus funds, not absolutely needed for daily use, were removed for safety to the city depository, which was at once attended to, and also a considerable sum from the Home Bank was sent off at the same time. The Bank Offices were put in as safe a position as possible, and the employees properly armed to meet any ordinary emergency that might arise, but happily no opportunity has been given to put these precautionary measures to a practical test, and it is to be hoped that the renewal of this excitement culminating in an attack on Canadian soil, will meet such a prompt and decisive repulse as to put an end to any like attempts in the future.

The Directors have much pleasure in bearing witness

to the zeal and fidelity of the Cashier, Assistant Cashier, and Managers of the Different Branches, and ascribe in a considerable degree the increased prosperity of the Bank, to the prompt attention of these officers to their duty, both to the Bank and its customers.

The Directors have declared a semi-annual dividend of four per cent on the paid-up capital, carrying \$2,000 to the Reserve Fund which now stands at \$20,000, in addition to the Contingent Fund now amounting to \$5,600.

With regard to the latter item, it is but right to state that it is made up in part by the discount on the Government Debentures purchased during the year, and for convenience reckoned in the statement at par value,—deducting this item of discount, the true amount would be about \$1,500.

The following is a statement of the amount of profits on hand, available for Dividend, &c.

Balance Profit, May 31st, 1865.....	\$16,594.78
Deduct amount passed to Reserve Fund.	3,000.00
	13,594.78
Add gross earnings for past year.....	35,294.75
	<u>\$48,889.53</u>
Deduct vote to President for 1855.....	\$1,000.00
Dividends Nos. 11 and 12, paid in July and	
January last.....	20,215.00
Salaries to 1st December last.....	4,400.00
Incidental expenses.....	1,886.67
	<u>27,501.67</u>
Showing balance of profits to May 31st, 1866.....	<u><u>\$21,387.86</u></u>

The whole respectfully submitted.

B. POMROY,

President.

Sherbrooke, 4th June, 1866.

After the Report had been read, the President made some appropriate remarks, stating he would be happy to

answer any enquiries as to the affairs of the Bank, that any Shareholder might think necessary.

The following resolutions were then offered to the meeting :—

Moved by R. D. Morkill, Esq., seconded by Hon. J. S. Sanborn—That the Report of the Directors now read be adopted and printed for the information of the Shareholders. Carried unanimously.

Moved by J. G. Robertson, Esq., seconded by F. D. Gilbert, Esq.—That the thanks of this meeting be tendered the President, Vice-President, and Directors, Cashier, Managers, and other officers of the Bank for their attention to the interests of the Bank, and that the President be asked to accept the sum of one thousand dollars as a compensation for his valuable services for the past year. Carried unanimously.

The meeting then adjourned until half-past three o'clock for the election of Directors.

On re-assembling the scrutineers reported the following gentlemen re-elected, being the old Board, viz—

B. Pomroy, Charles Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster and H. L. Robinson.

There being do further business before the meeting, the Chairman was requested to leave the chair, and F. D. Gilbert, Esq., take the same, when it was moved by R. D. Morkill, Esq., seconded by E. Clark, Esq., and carried unanimously :—That the thanks of this meeting are due and are hereby tendered Mr. Mallory for his able conduct in the chair.

C. P. MALLORY,
Chairman.

Summary of Annual Statements from 1860 to 1866 inclusive.

LIABILITIES.

	1860	1861	1862	1863	1864	1865
Capital paid in... ..	\$133,415.00	\$196,450.00	\$228,128.00	\$240,250.00	\$253,575.00	\$284,254.50
Bills in Circulation....	135,152.00	173,098.00	88,987.00	72,481.00	80,504.00	62,882.00
Due to other Banks.....	.....	.....	.....	.....	5,203.62	6,144.28
Deposits, ordinary.....	4,749.93	37,614.69	58,631.92	79,261.82	46,143.17	55,839.24
Deposits bearing Interest	1,798.00	34,847.29	48,930.42	22,407.76	48,656.94	47,442.85
Reserve Fund.....	.....	.....	3,259.00	6,000.00	10,000.00	15,000.00
Contingent Fund.....	.....	.....	.....	.....	.....	2,000.00
Balance Profits.....	11,155.02	19,699.45	18,221.06	14,978.21	20,300.61	16,594.78
	\$286,270.04	\$461,709.43	\$446,157.40	\$435,378.80	\$464,383.34	\$490,157.65

RESOURCES.

	1860	1861	1862	1863	1864	1865
Coin and Bullion.....	\$33,195.97	\$16,547.79	\$27,794.77	\$23,665.34	\$37,072.76	\$38,810.52
Bills & Checks oth. Banks	4,018.00	6,049.63	9,253.25	31,657.11	14,834.75	21,376.01
Due from other Banks....	8,049.63	17,844.49	16,185.85	29,461.19	19,120.70	26,534.85
Government Securities...	62,000.00	21,900.00	31,633.33	31,633.33	31,633.33	43,500.00
Loans.....	179,006.44	394,967.52	356,790.20	314,461.83	357,221.80	355,436.27
Real Estate.....	.....	4,400.00	4,500.00	4,500.00	4,500.00	4,500.00
	\$286,270.04	\$461,709.43	\$446,157.40	\$435,378.80	\$464,383.34	\$490,157.65
Rate of Dividends paid..	4% 3%	3% 4%	4% 3%	3% 3%	3% 3%	3% 3%

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	-	\$ 366,035
RESERVE, FUND	-	-	-	\$ 20,000

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHARLES BROOKS, ESQ., VICE-PRESIDENT.

AARON A. ADAMS ESQ., JOHN HENRY POPE, ESQ.

G. K. FOSTER. ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR., - - - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

BANK OF MONTREAL

MONTREAL

EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 25th, 1867.

LIABILITIES

Capital Paid in.....	\$366,035.00	
Eastern Townships Bank Bills in Circulation.....	88,376.00	
Due to other Banks	5,387.51	
Deposits not bearing Interest.....	54,505.65	
Deposits bearing Interest	57,905.81	
		112,411.46
Reserve Fund.....	20,000.00	
Profit and Loss a/c.....	5,600.00	
Balance of Profit for year.....	25,385.35	
		50,985.35
		<u>\$623,195.32</u>

RESOURCES

Coin and Bullion and Provincial Notes..	\$22,699.99	
Bills and Checks of other Banks.....	24,314.89	
		47,014.88
Due from other Banks.....		48,874.81
Government Securities.....		67,833.33
Loans		454,972.30
Real Estate.....		4,500.00
		<u>\$623,195.32</u>

WM. FARWELL, JR.,
Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE EIGHTH ANNUAL MEET- ING OF THE SHAREHOLDERS HELD ON JUNE 3RD, 1867.

The eighth Annual Meeting of the Shareholders of the Eastern Townships Bank, was held at their Banking House in the Town of Sherbrooke, on Monday, the 3rd day of June instant.

The notice of the meeting having been read, on motion of R. W. Heneker, Esq., seconded by E. Clark, Esq., Lewis Sleeper, Esq., was called to the chair.

The Cashier was appointed Secretary.

Messrs. F. D. Gilbert and R. D. Morkill were appointed scrutineers of votes.

The minutes of the last Annual Meeting having been read and confirmed, R. W. Heneker, Esq., on behalf of the Directors, read the following

REPORT

The Directors of the Eastern Townships Bank, in appearing before the Proprietors at their Annual Meeting, have great pleasure in submitting the annexed, a satisfactory financial statement, showing the result of the past year, and the Balance Sheet or exhibit of the liabilities and resources made up to the 25th May.

The capital paid-up, stands at \$366,035.00, or within \$33,965.00 of the whole amount authorized. No difficulty is apprehended in securing the payment of the balance within the time required by the Charter.

The circulation of the Bank has from the same causes mentioned in previous reports been very limited, but the Directors hope that under the new system of Government about to be inaugurated comprehending a territory of so much greater magnitude and such increased resources and wealth, means will be taken to remedy the present silver "nuisance" as it has been commonly designated, and of providing a silver currency sufficient to meet the ordinary requirements of trade. A measure of this kind which would bring the present silver circulation into disrepute, so that it would be treated as a matter of exchange, would be alike serviceable to the merchant and the customer, as well as to the banker. The Directors do not mean to affirm that this is the sole cause of the limited circulation of the Bank. There are other causes in operation no doubt, but the above must be apparent to every thoughtful person.

During the past year the Directors have thought it necessary for the interest of the Bank to make a change of some importance in the conduct of their business. They have removed their account in Montreal from the City Bank to the Bank of Montreal.

They desire now to offer in explanation that this step was taken in consequence of the Bank of Montreal being the Government Bank, and in that respect the Eastern Townships Bank was acting as its agent, and received the deposits from Crown Lands, Customs and Postal Officers. It was therefore deemed more advisable to transact the whole of the business with one than with two Montreal Banks, and they are gratified at being able to report that the arrangements with the Bank of Montreal have been made in a fair and liberal spirit on the part of that great Institution.

The business of the Bank for the past year has been satisfactory, and the Directors see with pleasure the gradual development of manufacturing industry throughout the country established, as they believe, on a sound basis. In the Town of Sherbrooke, at Coaticook, Waterloo, Danville

and other places, a spirit of enterprise seems to have shown itself in a more marked manner than at any other previous time. This development of manufactures necessarily demands increased banking facilities, so that the shareholders may feel perfectly confident that an ample field exists for the profitable employment of their capital.

The Directors have also good reason to speak favorably of the development of the mining industry of the country within the past year, for although the price of copper has been so unprecedentedly low as to throw a large—very large—number of miners in Cornwall out of employment; yet some of the Eastern Townships mines have not only continued to be worked, but in some cases in increased force.

The gold discoveries in the Chaudiere do not come within the Eastern Townships limits, but the alluvial gold workings of Ditton, by Mr. J. H. Pope, have been of too important a character not to be mentioned here, as the provincial Geologist, Sir Wm. E. Logan, thought them worthy of representation at the Paris Exhibition.

The opening of slate quarries also, and quarries of flag stone, seem gradually to be drawing more and more attention to the great and varied resources of the Eastern Townships, only awaiting systematic working on a sound basis of skill and capital to render them profitable.

Unfortunately the same flourishing picture of the Agricultural interests of the country cannot be given. The summer of last year was unusually wet and cold, and the returns to the farmer were below an average. This state of affairs has been followed by a very long but mild winter and an unusually late and wet spring, so that great fears are entertained for this year's crop. The price of cattle has, to be sure, been very high and still continues to be so, owing to the demand from the United States, which has not been lessened by the abrogation of the Reciprocity Treaty. But even this has not been of much benefit to the farmer, as for the most part, the cattle have not been in first class condition

for sale, and the high prices of flour coming upon all this, has made the times seem very hard.

The season is however not yet too late for a change, and it is to be hoped the people will put their whole force to the work and turn everything to the best advantage. A spirit of increased industry and greater economy will under Divine Providence, give even yet a good result.

The Directors have declared a semi-annual dividend of four per cent, which enables them to add \$3,000.00 to the Reserve Fund, besides amply providing for all contingencies.

In conclusion, the Directors desire to record their appreciation of the zeal and assiduity of the officers of the Bank.

The following is a statement of the Profits for the year :

Balance Profit, 30th May, 1866.....	\$21,387.86
Deduct amount passed to Reserve Fund.....	2,000.00
	<u>19,387.86</u>
Add nett earnings for past year.....	38,471.49
	<u>\$57,859.35</u>
Vote to President, 1866.....	\$1,000.00
Dividends Nos. 13 and 14, paid in July and January last.....	27,074.00
Salaries to 1st December last.....	<u>4,400.00</u>
	<u>32,474.00</u>
Balance of profit 25th May, 1867.....	<u><u>\$25,385.35</u></u>

The whole respectfully submitted.

B. POMROY,
President.

Moved by R. W. Heneker, Esq., seconded by F. D. Gilbert, Esq., that the Report of the Directors now read be received. Carried.

The President then made some remarks upon the satisfactory condition of the Bank, and said he should be most happy to answer any inquiries in reference to the business

of the Bank. After some discussion, it was moved by L. E. Morris, Esq., seconded by R. D. Morkill, Esq., that the Report be adopted and printed for the information of the Shareholders. Carried.

Moved by C. A. Bailey, Esq., seconded by C. J. S. Bacon, Esq., that the thanks of this meeting be tendered the President, Vice-President and Directors, Cashier, Managers and other officers of the Bank, for their attention to its interests ; and that the President be asked to accept the sum of One Thousand Dollars as a compensation for his valuable services for the past year. Carried.

The meeting then took a recess until half-past three o'clock, for the election of Directors.

On re-assembling the Scrutineers reported the following gentlemen elected, being the old Board, viz :

B. Pomroy, Charles Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster and H. L. Robinson.

There being no further business before the meeting, the Chairman was asked to leave the Chair, and F. D. Gilbert, Esq., take the same ; when the thanks of the meeting were unanimously voted Mr. Sleeper for his able conduct in the Chair.

At the meeting of Directors same day, Benj. Pomroy was re-elected President, and Charles Brooks, Vice President.

LEWIS SLEEPER,
Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED.	-	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	-	\$ 400,000
RESERVE FUND.	-	-	-	¢ 23,000

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

AARON A. ADAMS, ESQ., JOHN HENRY POPE, ESQ.

G. K. FOSTER, ESQ., R. W. HENEKER, ESQ.

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR. - CASHIER.

1868.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
STANBRIDGE	J. C. BAKER	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
EXCHANGE BANK	BOSTON, MASS

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 23rd, 1868.

LIABILITIES

Capital Paid in.....	\$400,000.00
Eastern Townships Bank Bills in Circulation.. . .	103,829.00
Due other Banks.....	6,187.56
Deposits not bearing interest.....	59,827.55
Deposits bearing Interest.....	75,199.59
	<hr/>
	135,027.14
Reserve Fund.....	23,000.00
Profit and Loss	10,000.00
Balance of Profit for year.....	30,317.13
	<hr/>
	63,317.13
	<hr/>
	\$708,360.83
	<hr/>

RESOURCES

Coin, Bullion and Provincial Notes	\$54,000.23
Bills and Checks of other Banks.....	24,935.34
	<hr/>
	78,935.57
Due from other Banks.....	57,169.37
Government Securities	68,033.33
Loans	496,222.56
Real Estate.....	8,000.00
	<hr/>
	\$708,360.83
	<hr/>

WM. FARWELL, JR.,
Cashier



R. W. HENEKER,
President 1874-1902.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE NINTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1st, 1868.

The ninth Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at their Banking House in Sherbrooke, on Monday, 1st day of June inst.

The usual notice of the meeting having been read, on motion of B. Pomroy, Esq., seconded by R. W. Heneker, Esq., J. G. Robertson, Esq., was called to the Chair.

The Cashier was appointed Secretary.

On motion of R. W. Heneker, Esq., seconded by J. B. Paddon, Esq., C. A. Bailey, Esq., and R. D. Morkill, Esq., were appointed Scrutineers of votes.

The minutes of the last Annual Meeting having been read and confirmed, the Report of the Directors was then submitted

REPORT

In again appearing before the Proprietors at this, their Annual Meeting, the Directors have the gratification of being able to show a most satisfactory financial statement, the business of the past year having been profitable.

The annexed table of Income and Expenditure will show this very clearly, the balance of profit on the 23rd May last being \$30,317.13 against \$25,385.35 on the 25th May, 1867.

The whole of the capital of the Bank is now paid up, and the Directors are glad to be in a position to state that there is ample use for it, the difficulty being, not to find

outlets for the employment of capital, but to accommodate all who seek for loans and advances.

The circulation, although greater than last year, is still low, and will not improve until the question of the "Silver Currency" is more thoroughly dealt with.

The Deposits show an increase over last year of \$23,000 which is satisfactory evidence of the continued advance of the country within the last twelve months, and the confidence entertained in the Bank by the public.

The Real Estate Account shows a value of \$8,000 instead of \$4,500 as in the last year's accounts. The difference \$3,500, is the value paid for the property in Waterloo, purchased on very reasonable terms, and used as a Banking House and Manager's residence. A change was greatly needed there, for the office rented from Mr. Stevens was very small and inconvenient.

Since the last meeting the various British North American Provinces have been consolidated, and the new Parliament for the Dominion has had amongst other important matters, the question of "Banking" under its notice. Much controversy exists on the question, and important action has been taken by the Banks of Ontario to endeavor to obtain renewal of their charters with the same privileges for the issue of their bills hitherto afforded them. Your Directors have carefully watched the whole course of proceedings, but have abstained from taking any active part in the controversy, feeling that the Eastern Townships Bank is in a measure different from most of the other banks of the Dominion in its position and the nature of its business.

The general tone of business throughout the year, although characterised by the dullness prevalent almost over the whole world, has under the circumstances been satisfactory. The manufactures of Sherbrooke and the Townships generally show a healthy and prosperous business.

Mining operations have been very much affected by the continued depression in the market for copper, but it is

satisfactory to know that despite this drawback, some of the Mining Companies have shown their confidence in the mineral wealth of this district by continuing to work throughout the year, and the recent rise in the price of copper will, it is hoped, reward their spirit of enterprise and their zeal in developing this branch of business.

Agriculture has also in the main prospered. The crop of last year, late as it was in the sowing, yet yielded fairly, and prices have been maintained at such a figure that good returns have been realized from a comparatively small extent of land under cultivation. Cattle of good quality have ranked high throughout the year; and in some products—hops for instance—a large price was obtained.

The Directors think it right to inform the Proprietors that they have had the continuance of the Stanbridge Branch under consideration; and after careful inquiry and examination, have made up their minds to recommend the new Board (to be appointed this day) to discontinue this Branch. The business is small, and a good share of it will be transacted by the Waterloo Branch, without serious inconvenience to the customers of the Bank.

The Directors have declared a semi-annual dividend of four per cent, and they are enabled from the profits of the year, in addition to this dividend, after providing for salaries and allowance for bad debts and discount on American currency, to add \$7,000 to the Reserve Fund, bringing up this fund to \$30,000.

The Directors, in conclusion, have again the pleasure to express their entire satisfaction with the zeal and assiduity of the Cashier and other paid officers of the Bank.

The following is the statement of profits for the year :

Balance of Profit on the 25th May, 1867.....	\$25,385.35
Deduct amount passed to Reserve Fund.....	\$3,000.00
Deduct amount passed to Profit and Loss.....	4,400.00
	<hr/>
	\$17,985.35
Add nett earnings for past year.....	48,192.78
	<hr/>
	\$66,178.13

Brought forward.....	\$66,178.13
Deduct—Vote to President, 1867.....	\$1,000.00
Dividends Nos. 15 and 16.....	30,231.00
Salaries to 1st December, last year.....	4,630.00
	<hr/>
	35,861.00
	<hr/>
	<u>\$30,317.13</u>

The whole respectfully submitted.

On the part of the Directors,

B. POMROY,
President.

Moved by R. W. Heneker, Esq., seconded by Rev. C. P. Reid, that the Report be received. Carried.

Moved by R. D. Morkill, Esq., seconded by C. A. Bailey, Esq., that the Report of the Directors be adopted and printed for distribution amongst the shareholders. Carried.

Moved by Rev. C. P. Reid, seconded by J. B. Paddon, Esq., that the sum of one thousand dollars be tendered the President for his valuable services for the past year. Carried.

Moved by L. E. Morris, Esq., seconded by Philip Earl, Esq., that a vote of thanks be tendered to the officers of the Bank for their attention to its interests for the past year. Carried.

The vote was then taken for Directors, which resulted in the re-election of the old Board, viz :

Benjamin Pomroy, Charles Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster, H. L. Robinson.

E. T. Brooks, Esq., was then asked to take the Chair, when a vote of thanks was passed to Mr. Robertson for his able conduct in the chair.

At the Directors' meeting the same day, Benjamin Pomroy, Esq., was re-elected President and Charles Brooks, Esq., Vice-President.

J. G. Robertson,
Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,000,000

CAPITAL PAID UP, - - - \$ 400,000

RESERVE FUND, - - - 30,000

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

AARON A. ADAMS, ESQ., J. H. POPE, ESQ.

R. W. HENEKER, ESQ. G. K. FOSTER, ESQ..

H. L. ROBINSON, ESQ.

WILLIAM FARWELL, JR. - CASHIER.

1869.

BRANCHES.

QUEBEC :

WATERLOO

WM. G. PARMELEE

Manager

STANSTEAD

A. P. BALL

“

CORRESPONDENTS

BANK OF MONTREAL

MONTREAL

NATIONAL EXCHANGE BANK

BOSTON, MASS.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 22nd, 1869.

LIABILITIES.

Capital Paid in.....	\$400,000.00	
Eastern Townships Bank Bills in Circulation.....	108,163.00	
Due to other Banks.....	7,297.79	
Deposits not bearing Interest.....	\$77,818.71	
Deposits bearing Interest.....	81,137.05	158,955.76
Reserve Fund.....	30,000.00	
Profit and Loss a/c.....	12,000.00	
Balance of Profit for year.....	27,023.18	69,023.18
		<u>\$743,439.73</u>

RESOURCES.

Coin and Provincial Notes.....	\$62,748.42	
Bills and Cheques on other Banks.....	28,048.29	90,796.71
Due from other Banks.....		51,966.64
Government Securities.....		67,833.33
Loans.....		516,343.05
Real Estate.....		16,500.00
		<u>\$743,439.73</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1869.

The Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at their Banking House, in the Town of Sherbrooke, on Monday, the 7th day of June instant—a fair attendance of shareholders being present.

The usual notice of meeting having been read by the Cashier, it was moved by B. Pomroy, Esq., seconded by R. W. Heneker, Esq., and carried unanimously, that Lewis Sleeper, Esq., be Chairman of this meeting. On motion, the Cashier was appointed Secretary. On motion of E. Clark, Esq., seconded by Rev. C. P. Reid, R. D. Morkill and A. W. Pope, Esquires, were appointed Scrutineers of Votes.

The minutes of the last annual meeting having been read and confirmed, the Directors submitted their Annual Report.

REPORT.

The Directors of the Eastern Townships Bank in again meeting the Proprietors, feel that the Institution having now completed its 10th year, they have just ground for congratulation at its continued success.

Following the usual course they append the Balance Sheet of Liabilities and Resources with a statement of Income and Expenditure showing the balance of profit available for dividend.

Some uneasiness having been felt in the Province of Ontario in consequence of recent bank failures there, the Directors have deemed it prudent to hold a larger reserve of specie and a greater proportion of more readily convertible assets than usual.

The business of the past year has been, on the whole, profitable, showing a steady increase, and not the least gratifying mark of this increase lies in the fact that the deposits both on interest and on call are yearly becoming larger, a proof as much of the confidence, as of the improved resources of the community.

Since the last annual meeting the Stanbridge Branch has been closed and the business amalgamated with the Waterloo Branch. By this, greater security has been given to the operations of the Bank, and at the same time the business community in the Bedford District have not suffered from want of due accommodation.

The Directors are watching with great interest the course of legislation on the rate of interest as well as on Banking and Currency now under discussion at Ottawa. They cannot but express their regret at the proposed backward course of legislation in again restricting the rate of interest, which, if carried into effect, will not, as all experience testifies, stop usury, but may prevent accommodation being granted at times when most needed for the trade of the country. As regards the new Banking Law, the Directors believe that the measure submitted by the Hon. the Finance Minister, is full of objections, and not such as will be satisfactory either to the public or the banks, to the noteholder or to those requiring accommodation in the way of trade.

The Directors also cannot but express their opinion of the dangerous character of the present Bankrupt laws, which have caused discredit to be thrown on trade by the facilities afforded to reckless men to get discharged from their obligations. Unfortunately the Eastern Townships have not been

free from failures, but the Bank has made but very few bad debts from this cause.

As regards the general tone of business throughout the country, in its manufacturing, mining and agricultural characteristics, dullness has generally prevailed; but yet the very serious drought of last summer, which at one time threatened a famine, followed by almost the longest winter on record, has not resulted so badly as might have been anticipated.

The Directors notice with great satisfaction the works of the Massawippi Valley Railroad, the completion of which will give another outlet to the trade of the country.

A semi-annual dividend of four per cent has been declared, payable on the 2nd day of July next, and after providing for salaries, and allowance for bad and doubtful debts, \$6,000 has been added to the Reserve Fund, which now stands at \$36,000.

In conclusion the Directors have again to express their entire satisfaction with the zeal and assiduity of the Cashier and other officers of the Bank.

The following is a statement of the Profits for the year :

Balance Profit, 23rd May, 1868.....	\$30,317.13
Deduct amount passed to Reserve Fund.....	\$7,000.00
“ “ “ Profit and Loss.....	2,000.00
“ Vote to President.....	1,000.00
	<hr/>
	10,000.00
	<hr/>
	20,317.13
Add nett earnings for past year, after providing for Losses.....	43,531.05
DEDUCT—	\$63,848.18
Dividends Nos. 17 and 18, paid in July and January last.....	\$32,000.00
Salaries to 1st December last.....	4,825.00
	<hr/>
	36,825.00
Balance of Profit.....	<hr/>
	\$27,023.18

The whole respectfully submitted.

B. POMROY, President.

On motion of R. W. Heneker, Esq., seconded by L. E. Morris, Esq., the Report of the Directors was received.

Some discussion then followed in reference to the business of the Bank, and congratulatory remarks were made by shareholders on the satisfactory statement exhibited.

On motion of C. A. Bailey, Esq., seconded by L. E. Morris, Esq., the Report was unanimously adopted and ordered to be printed for distribution to shareholders.

Moved by A. W. Pope, Esq., seconded by R. Baldwin, Esq., and carried unanimously, that the thanks of this meeting be tendered the President and Directors for their attention to the interests of the Bank for the past year, and that the President be asked to accept the usual annual vote of one thousand dollars.

Moved by L. E. Morris, Esq., seconded by Levi Baldwin, Esq., and carried unanimously, that the thanks of the shareholders are due and are hereby tendered the Cashier and other officers for their attention to the business of the Bank.

The vote was then taken for Directors, which resulted in the re-election of the old Board, viz: B. Pomroy, Chas. Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster, and H. L. Robinson.

There being no further business before the meeting, R. D. Morkill, Esq., was asked to take the chair, when on motion of A. G. Woodward, Esq., seconded by E. T. Brooks, Esq., a vote of thanks was passed to Mr. Sleeper for his able conduct in the chair. The meeting then adjourned.

At Directors' meeting same day, Benj. Pomroy was re-elected President and Chas. Brooks, Vice-President.

WM. FARWELL, JR.,
Secretary.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$1,000,000.00

CAPITAL PAID UP, - - - \$ 400,000.00

RESERVE FUND, - - - - 36,000.00

DIRECTORS.

COL. B. POMROY, - - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

A. A. ADAMS, ESQ. J. H. POPE, ESQ.

R. W. HENEKER, ESQ., G. K. FOSTER, ESQ.

E. O. BRIGHAM, ESQ.,

WM. FARWELL, JR., - - - CASHIER.

1870

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 21st, 1870.

LIABILITIES

Capital Paid in.....	\$400,000.00	
Eastern Townships Bank Bills in Circulation.....	294,544.00	
Due to other Banks.....	10,123.08	
Deposits not bearing Interest.....	161,901.99	
Deposits bearing Interest.....	102,548.68	
		264,450.67
Reserve Fund.....	36,000.00	
Profit and Loss a/c.....	10,000.00	
Balance of Profits for year.....	34,271.61	
		80,271.61
		<u>\$1,049,389.36</u>

RESOURCES

Coin and Provincial Notes.....	\$98,851.26	
Bills and Cheques of other Banks.....	22,218.94	
		121,070.20
Due from other Banks.....	197,485.87	
Government Securities.....	43,500.00	
Loans.....	670,333.29	
Real Estate.....	17,000.00	
		<u>\$1,049,389.36</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE ELEVENTH ANNUAL MEET- ING OF THE SHAREHOLDERS HELD ON JUNE 6TH, 1870.

The Annual Meeting of the Shareholders of this Bank was held at their Banking House in the Town of Sherbrooke on Monday, the 6th day of June instant.

The notice of meeting having been read, B. Pomroy, Esq., moved, seconded by Chas. Brooks, Esq., and carried unanimously, that L. E. Morris, Esq., be Chairman of this meeting. The Cashier was elected Secretary, and Messrs. R. D. Morkill and T. S. Morey, Scrutineers of Votes.

The minutes of last meeting were read and confirmed.

The Directors then submitted their Report as follows,
viz :—

REPORT

The Directors of the Eastern Townships Bank in submitting to the Stockholders their Annual Statement, have again to congratulate them on the result of the year's business, which shows a very great increase with larger profits than in any previous year.

The increase has extended over almost every item of account, as for example :

	Circulation	Deposits	Loans
May, 1869,	\$108,163.00	\$158,955.76	\$516,343 05
May, 1870.....	294,544.00	264,450.67	670,333.29

There has been a reduction in the amount of Government securities held by the Bank, but on the other hand

there has been an increase in Coin, Provincial Notes and Bills, and Cheques of other Banks, as well as a much larger Credit Balance with other Banks.

The profits of the year after payment of the dividends, and salaries to the 1st December last, show \$34,271.61, against \$27,023.18 in 1869.

The whole business at the date of the closing of the books, viz., 21st May last, shows an aggregate of \$1,049,389.36, or more than \$300,000 in excess of 1869.

With these explanations therefore the Directors think they are amply justified in offering their congratulations to the Stockholders of the Bank, and even to the people of the Eastern Townships generally, that such a result has been obtained in a time so limited as eleven years, the period during which this Bank has been in operation.

The amount of deposits alone must prove not only the confidence entertained in the stability of the Bank, but also greatly increased means on the part of the community.

The Directors have further reason to congratulate the stockholders on the improved quotations of their stock in the metropolitan centre of Canadian business, although still under its actual value. A good many transfers have taken place during the year, but the Bank continues to be essentially an Eastern Townships institution, not only in its business, but in its Proprietary.

The Directors have not failed to watch the new Banking Law passed at the last session of the Dominion Parliament, and think the Eastern Townships members have earned the thanks of the community for their endeavors to make this law suitable for Agricultural Districts as well as for large commercial cities.

The change effected from the original draft of the Bill in reducing the amount of Capital, was consistent with the true wants of the country, for the arguments advanced in Parliament against small banks were precisely those against which your Directors had to fight on the starting of this

Bank, and which the continued prosperous course of this institution has so signally disproved.

Losses will occur with large as well as small banks, in the cities, as well as in the country, and although the course of business may not be, and indeed is not the same, yet this tends to show that a country community will be best served by a country institution.

At the end of the next session of the Dominion Parliament, the present Charter will expire, and in coming under the new Banking Law, many changes of importance will have to be made.

In the first place, there is power to alter the number of Directors, provided there be not less than five nor more than ten. The present Charter, as you are aware, fixes the number at seven.

The qualification for Directors is increased from \$1,000 to not less than \$3,000 of stock, and power is given to remunerate the Directors.

The Bank will not be allowed to circulate any notes under \$4 in value, but at the same time the present tax on circulation will be discontinued.

No bank will be able to declare a dividend of more than 8 per cent per annum, until its Reserve Fund, after allowing for all bad and doubtful debts, shall amount to 20 per cent of its capital. In the case of the E. T. Bank, the Reserve must be brought up to \$80,000 before the Directors can increase the dividend beyond the usual 8 per cent.

There are changes in the form of the monthly returns, also, which it is not necessary to go into in this Report, but which the Directors believe to be improvements on the existing system. They are more searching in their character, and, while no confidence will be betrayed, they will enable any proprietor to form a more correct judgment as to the general scope of the business.

It is, of course, unnecessary here to go into every clause of the new Act, but the above are the principal changes.

Amongst these, perhaps the change most likely to affect the Eastern Townships Bank, is that restricting the circulation, for it is well known that City Banks, which can always count on large deposits are not so dependent on circulation as Country Banks, in which the deposits are of necessity more limited in amount.

To what extent this restrictive clause will affect the Bank, it is difficult at present to say ; but the Directors fear that it will limit their power of accommodating their customers, and thus prove an injury to the community it is intended to serve.

A Special General Meeting of Proprietors will have to be called before the expiration of the Charter, to determine as to what amendments, if any, shall be sought in the renewal of the charter on coming under the new law. Due notice of this will, of course, be given by the new board to be elected this day.

A semi-annual dividend of four per cent has been declared payable on the 2nd day of July next, and after providing for salaries, as well as for bad and doubtful debts, the sum of \$11,000.00 has been added to the Reserve Fund, which, with this addition, now amounts to \$47,000.

The Directors desire once again to express their entire satisfaction with the zeal and care of the Cashier and the other officers of the Bank.

The following is the statement of Profit account for the year ending 21st May, 1870.

Balance of Profit 22nd May, 1869.....	\$27,023.18
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DEDUCT—

Amount passed to Reserve Fund.....	\$6,000.00	
Vote to President.....	1,000.00	7,000.00
		<hr/>
		20,023.18
Add net earnings for past year.....		51,723.43
		<hr/>
		\$71,746.61

EASTERN TOWNSHIPS BANK.

101

DEDUCT—	Brought forward	\$71,746.61
Dividends Nos. 19 and 20, paid in July and		
January last.....	\$32,000.00	
Salaries to 1st December last.....	5,475.00	37,475.00
Balance of Profit.....		<u>\$34,271.61</u>

The whole respectfully submitted.

B. POMROY, President.

R. W. Heneker, Esq., moved, seconded by Rev. C. P. Reid, that the Report of the Directors be received. Carried.

The chairman and several other gentlemen congratulated the meeting on the satisfactory position of the Bank, and the steady increase of its business.

C. A. Richardson, Esq., then moved, seconded by R. D. Morkill, Esq., that the Report be adopted and printed, and that a copy be sent to each shareholder. Carried.

Moved by Rev. C. P. Reid, seconded by J. B. Paddon, Esq., and carried unanimously, that the thanks of the Shareholders be tendered the President and Directors for their attention to the interests of the Bank for the past year, and that the President be asked to accept the sum of one thousand dollars for his services.

Moved by T. S. Morey, Esq., seconded by C. J. S. Bacon, Esq., that the thanks of the Shareholders be tendered the Cashier, and other officers of the Bank, for their attention to the business of the Bank for the past year. Carried unanimously.

The vote for the Directors was then taken and the following named gentlemen were declared elected, viz: B. Pomroy, Chas. Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster and E. O. Brigham.

There being no further business, B. Pomroy, Esq., was asked to take the chair, when a vote of thanks was unanimously tendered L. E. Morris, Esq., for his able conduct in the chair. The meeting was then declared closed.

At Directors' meeting, same day, B. Pomroy was re-elected President, and Chas. Brooks, Vice-President.

WILLIAM FARWELL, JR.,
Secretary.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	-	\$ 400,000
RESERVE, FUND	-	-	-	\$ 47,000

DIRECTORS.

COL. B. POMROY, - PRESIDENT.

CHARLES BROOKS, ESQ., VICE-PRESIDENT.

A. A. ADAMS, ESQ., R. W. HENEKER, ESQ.

J. H. POPE, ESQ. G. K. FOSTER, ESQ.,

E. O. BRIGHAM, ESQ. G. G. STEVENS, ESQ.

BRANCHES.

QUEBEC :

WATERLOO

WM. G. PARMELEE

Manager

STANSTEAD

A. P. BALL

“

CORRESPONDENTS

BANK OF MONTREAL

MONTREAL

NATIONAL EXCHANGE BANK

BOSTON, MASS.

NATIONAL PARK BANK

NEW YORK

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 20th, 1871.

LIABILITIES

Capital.....	\$400,000.00	
Eastern Townships Bank Bills in Circulation..	493,569.00	
Due to other Banks.....	59,740.95	
Deposits not bearing Interest.....	\$200,283.44	
Deposits bearing Interest.....	143,694.37	
		<hr/>
Reserve Fund.....	\$47,000.00	343,977.81
Profit and Loss a/c.....	10,000.00	
Balance of Profits for year.....	49,178.36	
		<hr/>
		106,178.36
		<hr/>
		\$1,403,466.12
		<hr/>

RESOURCES

Coin and Provincial Notes.....	\$172,117.58	
Bills and Cheques on other Banks.....	27,166.29	
		199,283.87
Due from other Banks.....		231,406.20
Government Securities.....		43,500.00
Loans.....		919,776.05
Real Estate.....		9,500.00
		<hr/>
		\$1,403,466.12
		<hr/>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TWELFTH ANNUAL MEET- ING OF THE SHAREHOLDERS HELD ON JUNE 5TH, 1871.

The Annual Meeting of this Bank was held at their Banking House in the Town of Sherbrooke, on Monday, the 5th day of June instant, a good number of Shareholders being in attendance.

The hour of meeting having arrived, on motion of C. Brooks, Esq., seconded by Hon. J. S. Sanborn, Lewis Sleeper, Esq., of Coaticook, was unanimously elected Chairman of the meeting. The Cashier was elected Secretary, and Messrs. R. D. Morkill and R. A. Ellis Scrutineers of Votes.

The minutes of the last Annual Meeting, and the Special General Meeting of Shareholders in January last were read and confirmed.

The Directors then submitted the following

REPORT

The Directors in again meeting the Stockholders at the end of the financial year, have pleasure in being able to submit a statement of profits which far exceed the result of any previous year in the history of the Bank.

In the Report of 1870, a comparison was made between the year 1869 and '70, of some of the principal items of account, showing largely in favor of the latter year. If a

similar comparison be instituted, to include 1871, the result will be found even more satisfactory.

	Circulation	Deposits	Loans
May, 1869.....	\$108,163.00	\$158,955.76	\$576,343.05
“ 1870.....	294,544.00	264,450.67	670,333.20
“ 1871.....	493,569.00	343,977.81	919,676.05

The comparison carried further, will show that the resources of the Bank in every important particular have greatly increased.

Two principal causes have attributed to this result, viz: the withdrawal of what was called “The Silver Nuisance,” which has mainly affected the circulation, and the increased prosperity of the country, as shown in a great degree by the deposits. It is pleasing to notice that this increase of prosperity has not been confined to this part of Canada, but seems to have pervaded the whole Dominion; and the improved quotations of Bank Stock, shows that the public are impressed with a sense of the secure position of the Banking Institutions of the country. The Stock of the Eastern Townships Bank has steadily advanced in value, but the quotations have been purely nominal, there having been no desire evinced on the part of holders to part with their stock at what a few years ago would have been deemed an extravagant price.

The spirit of enterprise seems abroad in every part of the country, and if kept within due limits, and employed in productive works, the effect must be that the money expended will come back to the country in a manifold degree. There is always, of course, a danger of over-speculation, but no symptoms are at present apparent of this disease of the body politic.

The Town of Sherbrooke, the headquarters of the Bank, has made great advances during the past few years, and the immediate prospect of increased manufacturing enterprise on a solid basis and on a large scale, give the hope that the town will very shortly become the most important seat of

manufactures in the Dominion outside of the City of Montreal. Other manufacturing centres, such as Coaticook and Waterloo, also show a great advance, with good returns for the outlay of capital.

In the Report of 1870, the Directors referred to the contemplated new Bank Act, and the various modifications that would ensue in the business of the Bank if the project were to become law. The last Session of the Dominion Parliament has brought the new act into existence, and on the 1st July next, most of its provisions will come into force. The circulation of the Bank will then be limited to its paid-up capital, whereas under the old law it was permitted, in addition to the paid-up capital, to circulate to the amount of Coin, Provincial Notes and Government Securities held. This change will be great in itself, but the Act goes further, taking away the right of circulating notes under a value of four dollars. As a set-off, the tax on circulation is removed, as well as the necessity for holding a certain amount of Government Securities, although it is a condition that each bank shall hold as nearly as possible, one-half of its cash reserves in Dominion Notes, and never less than one-third in the same paper.

A Special General Meeting of the Stockholders was held in January last to authorize the Directors (among other things) to obtain an increase of capital when they saw fit. The Directors would have applied to the Legislature for the power, but a clause in the new act dispenses with the necessity of so doing, and the increase can now be obtained in a more simple and less expensive manner. A vote of the Stockholders at the present meeting will be taken on the subject, which is all that is required to fulfil the conditions of the Act. As the Townships grow in prosperity, the Directors hope again to ask for further powers in this direction, and do not think it an exaggeration to say that before very long they anticipate using a capital of One Million Dollars.

The Directors have determined to open a Branch in in the County of Missisquoi. The want of bank accommodations in that section of the country has long been felt, and now that a new line of railway traverses the county, connecting it directly with Montreal and Boston, the time seems opportune for re-opening a Branch.

At the first General Meeting after the 1st July next, the qualification for Directors will be raised from \$1,000 to \$3,000, and viewing the increased business of the Bank, with an enlarged capital, it will be a matter for consideration whether the number of Directors may not with propriety be increased to ten, as permitted by the new Bank Act.

A semi-annual dividend of four per cent on the capital has been declared, payable on the third July next, and after providing for salaries, as well as ample provision for bad and doubtful debts, the sum of \$28,000 has been added to the Reserve Fund, which now amounts to \$75,000.

The Directors in closing their report, desire to express their satisfaction at the continued zeal and careful management of the Cashier, as well as the subordinate officers of the Bank.

The following is the statement of Profit Account for the year ending 20th May, 1871:—

Balance Profit, 21st May, 1870.....	\$34,271.61
Add nett earnings for past year.....	68,791.83
DEDUCT—	103,063.44
Amount passed to Reserve Fund in June last \$11,000.00	
Vote to President at last Annual Meeting....	1,000.00
Dividends Nos. 21 and 22, paid in July and	
January last.....	32,000.00
Salaries to 1st December last.....	5,877.00
Paid Bank Note Company for new Bills....	1,603.13
Paid Tax on Circulation.....	2,404.95
	<hr/>
	53,885.08
Balance of Profit for year.....	<u>\$49,178.36</u>

The whole respectfully submitted.

CHARLES BROOKS,
Vice-President.

On motion of L. E. Morris, Esq., seconded by J. B. Paddon, Esq., the Report of the Directors was received.

After remarks having been made by several of the Shareholders on the very satisfactory nature of the Report just received, it was moved by E. Clark, Esq., seconded by R. A. Ellis, Esq., that the Report of the Directors be adopted and printed for distribution amongst the Shareholders as usual : carried.

That portion of the Report referring to the increase of the capital stock was then discussed, and, on motion of Hon. J. S. Sanborn, seconded by R. W. Heneker, Esq., it was

Resolved, that the capital stock of the Eastern Townships Bank shall be, and the same is hereby increased to the extent of Five Hundred Thousand Dollars current money of Canada, instead of Four Hundred Thousand Dollars as it hath been up to the present time ; and the increase of one hundred thousand dollars now made to said capital stock shall be paid in by instalments of ten per centum upon calls to be made pursuant to the resolution of the Directors, under the provisions of Section 34 "of the Act relating to Banks and Banking," and the Directors are requested to allot such increased capital stock to the present Shareholders of said Bank, in conformity with the fifth Section of said cited Act. Carried.

Moved by R. A. Ellis, Esq., seconded by W. O. Lawrence, Esq., and carried unanimously, that the Directors be requested to make the allotment of the increased capital stock at par.

On motion of E. T. Brooks, Esq., seconded by L. E. Morris, Esq., it was Resolved, that the number of Directors of this Bank be and is hereby increased to eight, and that this Resolution take effect at the election of Directors this day.

Moved by C. A. Bailey, Esq., seconded by A. A. Adams, Esq., and carried unanimously, that the sum of One

Thousand Dollars be voted the President for his services for the past year.

Moved by Hon. J. S. Sanborn, seconded by L. E. Morris, Esq., and carried unanimously, that the thanks of the Shareholders be tendered the President and Directors for their attention to the interests of the Bank for the past year, and that hereafter the Directors be paid Four Dollars per diem for their services when in actual attendance at the Banking House for the transaction of business.

Moved by R. D. Morkill, Esq., seconded by Rev. A. C. Scarth, that the thanks of the Shareholders be tendered the Cashier and other officers for their attention to the business of the Bank for the past year. Carried unanimously.

The vote for Directors was then taken, and the following named gentlemen were declared elected, viz: B. Pomroy, Charles Brooks, A. A. Adams, R. W. Heneker, J. H. Pope, G. K. Foster, E. O. Brigham and G. G. Stevens.

There being no further business, R. W. Heneker, Esq., was asked to take the chair, when a vote of thanks was unanimously tendered Mr. Sleeper for his able conduct as chairman.

The meeting was then declared closed.

WILLIAM FARWELL, JR.,
Secretary.

At Directors' meeting same day, B. Pomroy was re-elected President and Chas. Brooks, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,000,000
CAPITAL PAID UP,	-	-	-	\$ 567,675
RESERVE FUND,	-	-	-	\$ 75,000

DIRECTORS.

COL. BENJ. POMROY, - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

R. W. HENEKER, ESQ.

J. H. POPE, ESQ.

AARON A. ADAMS, ESQ.,

G. K. FOSTER, ESQ.,

E. O. BRIGHAM, ESQ.

G. G. STEVENS, ESQ.

WILLIAM FARWELL, JR. · CASHIER.

1872.

BRANCHES.

QUEBEC :

WATERLOO	W. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	W. I. BRIGGS	"
COATICOOK	B. AUSTIN	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 23rd, 1872.

LIABILITIES.

Capital Stock Paid in.....	\$567,675.00	
Reserve Fund.....	75,000.00	
Profit Balance.....	67,295.83	
		<u>\$709,970.83</u>
E. T. Bank Bills in Circulation.....	\$450,210.00	
Deposits not bearing Interest.....	312,785.99	
Deposits bearing Interest.....	191,222.88	
Due to other Banks.....	105,660.22	
		<u>1,059,879.09</u>
		<u>\$1,769,849.92</u>

ASSETS

Coin.....	\$73,849.27	
Dominion Notes.....	48,063.00	
Bills and Cheques on other Banks.....	29,989.59	
Due from other Banks.....	244,197.40	
		<u>396,099.26</u>
Bank Premises.....	9,220.00	
Real Estate mortgages.....	439.00	
Notes and bills discounted.....	1,364,091.66	
		<u>1,373,750.66</u>
		<u>\$1,769,849.92</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 3RD, 1872.

The Thirteenth Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at the Head Office of the Bank, in the Town of Sherbrooke, Monday, 3rd day of June instant.

The notice of meeting having been read, on motion of Hon. J. S. Sanborn, seconded by T. S. Morey, Esq., L. E. Morris, Esq., was elected chairman of the meeting. On motion of R. W. Heneker, Esq., seconded by G. K. Foster, Esq., the Cashier was elected Secretary.

On motion of Rev. A. C. Scarth, seconded by J. B. Paddon, Esq., Messrs. T. S. Morey and Edward Chapman, were elected scrutineers of votes.

The minutes of the last Annual Meeting, and Special General Meeting held on 1st May last, were read and confirmed.

The Directors then submitted the following

REPORT

The Directors of the Eastern Townships Bank submit to the Shareholders the Balance Sheet, and Profit and Loss Statement for the year ending 23rd May, 1872.

The following comparison of the Circulation, the Deposits and the Loans for the past year, will, they believe,

prove interesting and instructive to the Shareholders in relation to the business of the Bank.

Date	Circulation	Deposits	Loans
May, 1869	\$108,163.00	\$158,955.76	\$576,343.05
May, 1870.....	294,544.00	264,450.67	670,333.20
May, 1871.....	493,569.00	343,977.81	919,776.05
May, 1872.....	450,210.00	504,008.87	1,364,091.66

The Capital has been increased during the last year, firstly under the authorization given at the last Annual General Meeting by \$100,000, and subsequently under the authority of the Special General Meeting held on the 1st May, by an additional amount of \$250,000, making the present authorized capital \$750,000, of which \$567,675 has been paid up. The necessity for the second and larger increase, as was explained at the Special General Meeting, came earlier than the Directors had anticipated, although in the Report of last year they looked forward to the time when the business of the Townships would enable them profitably to employ a capital of even one million dollars.

Two new branches have been opened during the past year, the one at Cowansville, the other at Coaticook. That at Cowansville was alluded to in last year's report, and the arrangements for opening having been completed, Mr. Briggs commenced operations on 1st November, 1871. The Directors have pleasure in stating that the business of this branch has exceeded their expectations, both in the amount of Deposits and Loans. It is of course too early to form any just estimate of the result of the opening of the Coaticook Branch. Mr. Austin has been placed in charge as Manager, and the Directors have no fear but that the Shareholders will derive advantage from the step thus taken of meeting the requirements of so enterprising and thriving a community.

The Bank has now buildings with residences attached, at Sherbrooke and Waterloo. The erection of an addition to the office in Sherbrooke was an imperative necessity, and

with its vault has tended to the convenience and safety of the office. A vault has also been built at Waterloo, but the arrangements at the other Branches are not as yet what they should be. New buildings with residences for the Managers, and properly constructed vaults will render the Branches more secure from fire, and more safe in every respect, besides adding to the convenience of business and comfort of the Managers. It is proposed that these buildings on an uniform plan shall be erected if possible this summer.

Amongst the disadvantages from which the Bank has suffered during the past year may be classed the compulsory withdrawal of the Circulation under §4, and although compensation has to some extent been given by the removal of the tax on Circulation, and the withdrawal of the obligation to hold Government Securities against issue, yet experience has proved that the balance of benefit is against the Bank and its customers by the limitation thus placed on legitimate business.

An attentive consideration of the Profit and Loss statement will show the advance made in the business of the Bank during the past year. Comparing this statement with that of the preceding year it will be found that the balance of profits in May, 1871, after crediting \$11,000 in the previous June to Reserve and providing the usual charges and Dividends, amounted to \$49,178.36, whilst on the 23rd May, 1872, the balance after having credited \$28,000 in the previous June, and a similar provision for dividends and charges, was no less than \$67,295.83, and yet the year ending May, 1871 was, rightly considered, the most prosperous the Bank had ever known to that date. In calculating the profit of the year, it should be stated that the balance here given is found after a very careful examination of the Loans and a deduction of all bad and doubtful debts. This increase of business and corresponding profit is of course mainly due to the continued growth and prosperity of the Townships. In manufactures and agriculture the advance

has been very great and yet healthy, and even the mining interests seem again likely to take a start from the advance in the price of copper, and the value of the sulphur contained in the copper ores of the country.

The Directors at the last meeting declared the usual dividend at the rate of eight per cent per annum on the paid-up Capital Stock, and after providing for the usual charges, including salaries, they have carried the net sum of (\$40,000.00) Forty Thousand Dollars to the Reserve, which now amounts to (\$115,000.00) One Hundred and Fifteen Thousand Dollars.

In conclusion, the Directors have as heretofore, to express their approval of the zeal and energy, as well as careful management of the Cashier and other Bank Officers.

The following is the Profit statement for year ending May 23rd, 1872.

Balance of Profit, 20th May, 1871.....	\$49,178.36
Add nett earnings for past year. after deducting cost of management, and making ample provision for bad and doubtful debts.....	82,339.47
	<u>\$131,517.83</u>
Deduct amount carried to Reserve Fund in June last.....	\$28,000.00
Vote to President at last Annual Meeting.....	1,000.00
Dividends, Nos. 23 and 24, paid in July and January last.....	35,222.00
	<u>64,222.00</u>
Balance of Profit for year.....	<u>\$67,295.83</u>

The whole respectfully submitted.

B. POMROY,
President.

On motion of R. W. Heneker, Esq., seconded by Rev. A. C. Scarth, the report of the Directors was received.

On motion of Hon. J. S. Sanborn, seconded by C. J. S. Bacon, Esq., the report of the Directors was adopted, and

ordered to be printed and distributed to the Shareholders as usual.

On motion of Hon. J. S. Sanborn, seconded by John French, Esq., the thanks of the Shareholders were tendered the President and Directors for their valuable services for the past year, and the sum of one thousand dollars was voted the President.

On motion of C. J. S. Bacon, Esq., the thanks of the Shareholders were tendered the Cashier and other officers of the Bank, for their attention to the interest of the Bank during the past year. The meeting then proceeded to the election of Directors, and the following gentlemen, being the old Board, were declared by the Scrutineers duly elected for the ensuing year, viz: B. Pomroy, Chas. Brooks, R. W. Heneker, J. H. Pope, A. A. Adams, G. K. Foster, E. O. Brigham and G. G. Stevens.

There being no further business before the meeting, R. W. Heneker, Esq., was requested to take the chair, when a vote of thanks was unanimously tendered L. E. Morris, Esq., for his able conduct as Chairman.

WM. FARWELL, JR.,
Secretary.

At Directors' Meeting, same day, B. Pomroy was re-elected President, and Charles Brooks, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$1,000,000.00

CAPITAL PAID UP, - - - \$ 742,406.00

RESERVE FUND, - - - - \$ 115,000.00

DIRECTORS.

COL. B. POMROY, - - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

R. W. HENEKER, ESQ., HON. J. H. POPE,

A. A. ADAMS, ESQ. G. K. FOSTER, ESQ.

E. O. BRIGHAM, ESQ., G. G. STEVENS, ESQ.

WM. FARWELL, JR., - - - CASHIER.

1873

BRANCHES.

QUEBEC :

WATERLOO	W. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	“
COWANSVILLE	W. I. BRIGGS	“
COATICOOK	B. AUSTIN	“

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1873.

LIABILITIES.

Capital Paid up.....	\$742,406.00	
Reserve Fund.....	115,000.00	
Profit.....	111,985.81	
		<u>\$969,391.81</u>
E. T. B. Bills in Circulation.....	\$516,102.00	
Government Deposits payable on demand..	41,139.90	
" " after notice.	83,923.00	
Other Deposits payable on demand.....	292,046.46	
" " after notice.....	205,522.51	
Due to other Banks.....	11,730.29	
		<u>\$1,150,464.16</u>
		<u>2,119,855.97</u>

RESOURCES.

Coin.....	\$51,817.12	
Dominion Notes.....	48,535.00	
Bills and Cheques on other Banks.....	23,398.77	
Due from other Banks.....	265.849.81	
		<u>389,600.70</u>
Bank Premises.....	11,220.00	
Loans to Corporations.....	62,415.66	
Notes and Bills Current.....	1,612,403.91	
Notes and Bills Overdue.....	24,328.70	
" " Secured.....	3,689.00	
Other Assets.....	16,198.00	
		<u>1,730,255.27</u>
		<u>\$2,119,855.97</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FOURTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1873.

The Fourteenth Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at the office of the Bank, in the Town of Sherbrooke, on Monday, 2nd day of June instant.

At 2 o'clock p. m, the notice calling the meeting was read.

The meeting was then organized by the election of Hon. Judge Sanborn as Chairman, and Wm. Farwell, Jr., the Cashier, as Secretary.

On motion Messrs. E. T. Brooks and T. S. Morey were elected Scrutineers of votes.

The Minutes of the last meeting were then read and confirmed, after which the Directors submitted the following

REPORT

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss statement of the Bank for the year ending the 15th of May, 1873. The time for closing the accounts is made one week earlier than usual, it having been found necessary, owing to the extension of the business, to devote more time than heretofore to the work of preparing for the Annual General Meeting.

The business of the past year, despite the difficulties hereinafter to be touched upon, has been as remunerative as

that of the preceding year, which the Shareholders will recollect was the most prosperous the Bank had known up to that time. The new Capital, authorized on the 1st May, 1872, has been nearly all paid up and has been profitably employed and the time has come, which was anticipated in the Report of 1871, when an increase of the capital to One Million Dollars is, in the opinion of the Directors, necessary.

The history of the past year shows, notwithstanding the favorable results exhibited by the Profit and Loss statement, a period of difficulty which has demanded great watchfulness on the part of the management. During the summer and the early autumn, the demand for accommodation was very great, This was followed by a stringent money market in Montreal, when the leading bank of the country raised the rate on first-class paper to ten per cent. This state of affairs has continued with only slight modifications to the present time, and there has been concurrently with it a like stringency in the United States, a high gold premium, and latterly an increase in the Bank rate in England.

It would have been strange indeed had the Townships business remained unaffected under such conditions of the money market in the great centres on each side, and as above stated a great amount of responsibility has been thrown on the management during the past seven or eight months. The hope was continually entertained that in the course of a few weeks the Montreal market would become easier, and the exceptionally high rate of gold in the States would give way, but in the meantime provision had to be made to meet every contingency. It is from the experience thus gained that the Directors feel it incumbent on them to ask for the proposed increase of capital.

The new Branch at Cowansville (opened in 1871) and that at Coaticook (in 1872) have met the expectations of the Directors, and justified their action in providing at these central points banking facilities for the surrounding country.

An application has been recently made by the leading business men of Richmond for similar privileges, and after careful investigation, and an experiment made as a test, under the kind assistance and administration of one of the Directors (resident in Richmond) the request has been acceded to, and as soon as proper arrangements can be made the branch will be opened.

From the balance of Profit, as exhibited in the Profit and Loss statement, \$111,985.81, the Directors have at their meeting on Saturday last, the 31st May, declared the usual dividend of four per cent on the paid-up capital stock for the half year, and have added \$70,000 to the Reserve Fund, which leaves an ample allowance for the usual charges and salaries, and a balance carried forward exceeding \$4,000.

The Reserve Fund with this addition stands at \$185,000 or somewhat less than 25 per cent of the present authorized capital. Should the capital be increased to one million dollars it will only require \$15,000 additional to bring the Reserve Fund to the limit (20 per cent of the capital) under which no bank is permitted by the Banking Act to pay more than 8 per cent dividend.

Under these circumstances the Directors feel that they have a good ground for congratulating the Shareholders on the result of their 14 years experience in banking, the more especially when all the circumstances attending the first starting and early working of the Bank are remembered.

On the question of placing the new stock, the Directors would recommend that it should be offered to the present Shareholders on the same terms as the last issue, viz: at par to those shareholders accepting the stock, and subject to a charge of 5 per cent if sold in the open market, any amount over the charge of 5 per cent being divided amongst those Shareholders not taking the new stock pro rata of their holding. The Directors have come to this conclusion after a full consideration of all the circumstances of the case, although this

plan is a deviation from that adopted by most of the banks of the country, which charge a premium on all new issues, but in so doing they are to some extent governed by the great satisfaction expressed by the Shareholders on former occasions when this course was taken.

In conclusion the Directors desire to express their approval of the zeal and assiduity of the Cashier and other Bank officers.

The following is a statement of the Profits for the year :

Balance of Profit, 23rd May, 1872	\$67,295.83
Add earnings for past year, and amount received on account of doubtful debts previously written off, deducting cost of management of business.....	134,949.96
	<hr/> \$202,245.79
Deduct amount carried to Reserve Fund last year.....	\$40,000.00
Vote to President.....	1,000.00
Dividends Nos. 25 and 26 paid in July and January last	49,259.98
	<hr/> \$90,259.98
Balance of Profits, 15th May, 1873.....	<hr/> \$111,985.81

The whole respectfully submitted.

CHARLES BROOKS,
Vice-President.

On motion, the Report of the Directors, as submitted, was received and adopted, and ordered to be printed for distribution to Shareholders.

The question of the further increase of the Capital Stock to \$1,000,000 was then taken up, and on motion of T. S. Morey, Esq., seconded by C. A. Bailey, Esq., it was unanimously

Resolved,—That the Capital Stock of the Eastern Townships Bank shall be and is hereby increased in one amount, in the sum of two hundred and fifty thousand dollars, current money of Canada, making the authorized Capital Stock of said Bank One Million Dollars, and the said increase of two hundred and fifty thousand dollars, now

made to said Capital Stock, shall be paid in by instalments of ten per centum upon calls to be made, pursuant to Resolutions of the Board of Directors, under the provisions of section 34 of "the Act relating to Banks and Banking."

On motion of C. A. Bailey, Esq., seconded by E. T. Brooks, Esq., the thanks of the Shareholders were tendered the President and Directors for their attention to the interests of the Bank for the past year, and the sum of one thousand dollars was voted the President for his services.

On motion of L. E. Morris, Esq., seconded by J. B. Paddon, Esq., the thanks of the Shareholders were tendered the Cashier, Managers and other officers, for their efficient services during the past year.

The meeting then proceeded to ballot for Directors, after which the Scrutineers reported the following Shareholders elected, being the old Board, viz: Benjamin Pomroy, Charles Brooks, R. W. Heneker, Hon. J. H. Pope, A. A. Adams, G. K. Foster, E. O. Brigham, and G. G. Stevens.

There being no further business before the meeting, Charles Brooks, Esq., was requested to take the chair, when the thanks of the meeting were tendered Hon. Judge Sanborn for his able conduct as Chairman.

W. SANBORN,
Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,000,000.00
CAPITAL PAID UP,	-	-	\$ 959,694.00
RESERVE FUND,	-	-	\$ 185,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

COL. BENJ. POMROY, A. A. ADAMS, ESQ.

HON. J. H. POPE, G. K. FOSTER, ESQ.

G. G. STEVENS, ESQ. E. O. BRIGHAM, ESQ.,

WM. FARWELL, JR., - - CASHIER.

1874

BRANCHES.

QUEBEC :

WATERLOO	W. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	W. I. BRIGGS	"
COATICOOK	B. AUSTIN	"
RICHMOND	A. J. CLEVELAND	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1874.

LIABILITIES.

Capital Paid in.....	\$959,694.00	
Reserve Fund.....	185,000.00	
Profit and Loss Balance.....	105,678.65	
		<u>\$1,250,372.65</u>
E. T. B. Bills in Circulation.....	\$609,768.00	
Government Deposits payable on demand	75,741.84	
" " " after notice.	175,626.28	
Other Deposits payable on demand.....	273,679.82	
" " " after notice.....	341,792.08	
Dividends unclaimed.....	1,032.08	
Due to other Banks.....	106,094.01	
		<u>\$1,583,734.11</u>
		<u>2,834,106.76</u>

RESOURCES.

Coin.....	\$62,901.09	
Dominion Notes.....	31,268 00	
Bills and Cheques on other Banks.....	29,562.32	
Due from other Banks.....	431,595.13	
		<u>555,326.54</u>
Bank Premises.....	17,324.15	
Loans to Corporations.....	174,857.97	
Notes and Bills Current.....	2,029,098.58	
Notes and Bills Overdue.....	38,429.65	
Other Assets.....	19,069.89	
		<u>2,278,780.22</u>
		<u>\$2,834,106.76</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1ST, 1874.

The fifteenth annual meeting of this Bank was held at the Head Office of the Bank, in the Town of Sherbrooke, on Monday, the first day of June instant. The meeting was organized by the election of Hon. T. Lee Terrill, of Stanstead, as Chairman. The Cashier was appointed Secretary of the meeting, and Hon. J. G. Robertson and T. S. Morey, Esq., Scrutineers of votes. The minutes of the last annual meeting were read and confirmed, after which the Directors submitted the following

REPORT

GENTLEMEN :

At the close of another financial year, the Directors have much pleasure in again appearing before the shareholders of the Bank, with the Balance Sheet and Profit and Loss statement, showing a very satisfactory result, notwithstanding that some anxiety has attended the business of the year, owing to the panic in the United States in the latter part of 1873, followed by great dullness in trade.

At the last annual meeting it was resolved to increase the capital stock to one million dollars, and the Directors have pleasure to state that the allotments to the shareholders were nearly all taken up, and those not taken up, together with the fractional shares, were sold at 12 per cent premium.

The amount still unpaid is only \$40,306 and is all now due.

In August last the new Branch at Richmond alluded to in the report of 1873 was opened. The business of this Branch has been profitable, and has even exceeded the expectations of the Directors.

A careful and thorough inspection of all the Branches has been made from time to time by the Cashier, accompanied by one of the Directors from the Head Office.

The general business of the Bank has increased to such an extent that more assistance has been found requisite. The officers have been zealous and untiring, but the Directors found that to prevent their being overworked, the employment of extra clerks was necessary.

The old Bank buildings were also found too small for the increased business, and the Directors have caused a new building to be erected at Coaticook, which is very nearly ready for occupation, and have commenced a similar building at Cowansville at a cost of about \$6,000 each. They have also directed alterations to be made at Waterloo so as to give the requisite accommodation at that important Branch.

The Directors are fully aware of the objections in the minds of some of the shareholders, to an expenditure on what is called "bricks and mortar," and they share in the sentiment, so far as to keep the expenditure within bounds, but if the work of the Bank is to be done efficiently, with safety and economy, having in view the health of the officers as well as the convenience of business, they feel that it is incumbent on them to provide suitable Bank premises.

In Sherbrooke the inconvenience of the office, both as to space and arrangement has become a serious evil. The different duties of the several officers demanding proper classification cannot be conveniently carried on in the present building, and a new office is absolutely necessary. Before committing themselves to any plan, and with the view of profiting by the experience of other banks, the Cashier and

one of the Directors visited several of the newer branches of the large Montreal banks, hoping to obtain hints from them likely to suit the requirements of the Eastern Townships Bank,

They carefully examined all the branch banks in Ottawa, as well as the branch of the Bank of Montreal at Brockville, and with the data thus obtained, they framed instructions to guide a competent architect in preparing plans for a head office at Sherbrooke. These plans they now submit to the shareholders, and hope to obtain their approval to what, as above stated, is not a matter of choice, but of absolute necessity. The Directors feel also that in a work of this kind, built not for a day, but to meet the growing wants of the institution for many years to come, they are justified in having a handsome as well as a useful building, and they believe that the shareholders will agree with them in the opinion that while extravagance should be avoided, yet there is something due to the position of the Bank as one of the most successful institutions of the country.

From the balance of profit exhibited in the appended statement, \$105,678.65, the Directors have, at their meeting on Saturday last, the 30th May, declared a dividend of four per cent for the half year on the paid up capital stock, and a bonus of one per cent in addition. They have also added to the Reserve a sum of \$55,000, which leaves a balance of about \$3,000 to be carried forward. The Reserve Fund with this addition stands at \$240,000, or 25% on the paid up capital.

In estimating profits the Directors have as usual been most careful to make provision for all bad and doubtful debts.

In conclusion the Directors desire again to place on record their sense of the zeal and assiduity of the Cashier, and of the Bank officers in general.

The following is a statement of the Profits for the year :

Balance of Profit 15th May, 1873.....	\$111,985.81	
Add earnings for past year after deducting cost of management and making ample provision for all bad and doubtful debts..	\$129,163.89	
DEDUCT—		\$241,149.70
Amount carried to Reserve Fund, 1873.	\$70,000.00	
Vote to President, annual meeting, 1873	1,000.00	
Dividend No. 27 paid in July last.....	29,580.54	
“ No. 28 paid in January last...	34,890.51	
		135,471.05
Balance of Profit.....		<u>\$105,678.65</u>

Respectfully submitted.

CHARLES BROOKS,
Vice-President.

The report of the Directors was received and adopted and ordered to be printed for distribution. Remarks were made by several shareholders on the very satisfactory report submitted, and on the continued prosperity of the Bank.

The plans for the proposed new building for the Head Office were submitted to the meeting, and explanations given, whereupon the sum of \$40,000 was appropriated for its construction. A letter from Col. Pomroy, the President, was then read, expressing regret at his inability, in consequence of ill-health, from being present at the meeting, thanking the shareholders for the confidence they had reposed in him since the organization of the Bank, and congratulating them on the present satisfactory exhibit of its condition. Owing to his growing infirmities and continued ill-health, he felt compelled to decline a re-election to the presidency, but if thought desirable, should have no objections to remain on the Board.

A vote of thanks to the President, Directors, Cashier and other officers of the Bank, was passed and the usual sum of \$1,000 was appropriated for the Presidency, after

which the meeting proceeded to the election of Directors, which resulted in the re-election of the old Board, viz., B. Pomroy, Chas. Brooks, R. W. Heneker, A. A. Adams, Hon. J. H. Pope, G. K. Foster, G. G. Stevens and E. O. Brigham.

The thanks of the meeting were then tendered Hon. Mr. Terrill for his able conduct as chairman, after which the meeting adjourned.

WM. FARWELL, JUNR.,
Secretary.

At the Board meeting, same day, R. W. Heneker was elected President, and Chas. Brooks Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,500,000
CAPITAL PAID UP,	-	-	-	\$1,000,000
RESERVE FUND,	-	-	-	\$ 240,000

DIRECTORS.

RICHARD W. HENEKER, ESQ., - PRESIDENT.

CHAS. BROOKS, ESQ., - - - VICE-PRESIDENT.

BENJ. POMROY, ESQ. A. A. ADAMS, ESQ.,

HON. J. H. POPE, G. K. FOSTER, ESQ.,

GARDNER G. STEVENS, ESQ. E. O. BRIGHAM, ESQ.

TIMOTHY LEE TERRILL, ESQ.

WILLIAM FARWELL, JR. - CASHIER.

1875.

BRANCHES.

QUEBEC :

WATERLOO	WM. G. PARMELKE	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	W. I. BRIGGS,	"
COATICOOK	B. AUSTIN,	"
RICHMOND	A. J. CLEVELAND	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1875.

LIABILITIES

Capital Paid in	\$1,000,000.00	
Reserve	240,000.00	
Profit Balance	88,586.38	
		<u>\$1,328,586.38</u>
E. T. B. Bills in Circulation	467,405.00	
Dominion Government Deposits (Demand)	87,598.62	
" " " (After Notice)	105,000.00	
Provincial Gov't Deposits (Demand)	1,256.46	
" " " (After Notice)	205,000.00	
Other Deposits (Demand)	381,909.65	
" " " (After Notice)	409,578.27	
Dividends unclaimed	883.18	
Due other Banks in Canada	191.48	
Due other Banks not in Canada	7,160.84	
Due other Banks in United Kingdom ...	43,460.98	
		<u>1,712,442.48</u>
		<u><u>\$3,041,028.86</u></u>

ASSETS

Coin	\$65,054.22	
Dominion Notes	92,473.00	
Bills and Cheques on other Banks	37,540.59	
Due from other Banks in Canada	234,748.63	
Due from other Banks not in Canada	46,753.48	
		<u>\$476,569.92</u>
Bank Premises		34,689.65
Notes and Bills Current	\$2,498,648.91	
Notes and Bills Overdue	31,120.38	
		<u>2,529,769.29</u>
		<u><u>\$3,041,028.86</u></u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE SIXTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1875.

The sixteenth Annual General Meeting of the Eastern Townships Bank was held at the Head Office of the Bank, in the Town of Sherbrooke, on Monday, June 7th, 1875, about fifty Shareholders being present.

The usual published notice having been read by the Cashier, on motion of R. W. Heneker, Esq., seconded by Chas. Brooks, Esq., Lewis Sleeper, Esq., was elected Chairman. On motion A. A. Adams, Esq., seconded by Rev. A. C. Scarth, the Cashier was elected Secretary. On motion of E. Clark, Esq., seconded by L. E. Morris, Esq., Messrs. W. B. Ives and T. S. Morey were elected Scrutineers of votes. The minutes of the last Annual Meeting were read and confirmed. The President on behalf of the Board then submitted the Annual Report and statements, namely :—

REPORT

The Directors at the close of another financial year beg to submit to the Stockholders the Balance Sheet and Statement of Profit and Loss with the following remarks on the results of the past year.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING MAY 15TH, 1875.

Balance of Profit, May 15th, 1874.....	\$105,678.65
Add net earnings for past year.....	135,028.29
	<hr/>
	\$240,706.94

DEDUCT	Brought forward.....	\$240,706.94
Amount Transferred to Reserve Fund....	\$55,000.00	
Vote to President.....	1,000.00	
Dividend and Bonus No. 29.....	47,674.96	
“ “ No. 30.....	48,445.60	
		<u>\$152,120.56</u>
		<u>\$88,586.38</u>

In the latter part of the year 1873, as the Stockholders will remember, a financial panic arose in the United States followed by great dullness of trade. Contrary to expectation, this dullness has continued ever since and has become widespread extending beyond the United States to this Dominion and even across the Atlantic to every country in Europe. The causes of this are not difficult to trace—but it is the fact itself which is at present of importance—as the profits of banks are necessarily dependent on activity of trade and soundness of transactions and the confidence which is the result of the combination of the two elements.

The Stockholders will therefore not be surprised to hear that although the business of the Bank during the past year has been profitable—yet the ratio of profit has not been so great as in the previous year—and the Directors have been obliged to curtail their business and at times to refuse accommodation to customers whom otherwise it would have been a pleasure to have assisted.

To show the extent to which the trade of the Dominion has been circumscribed within a short period, reference is made to the Bank returns published in the Official Gazette on the 1st March, 1874, the circulation of the banks of the Dominion amounted to \$25,668,950. On the 1st March last the circulation stood at \$23,013,181 and on the 1st May at \$19,740,530 showing a total diminution during 14 months of no less than six millions of dollars or nearly one fourth of the whole circulation at the first named period, of which about $3\frac{1}{2}$ millions was within the last two month of the period.

The circulation of the Eastern Townships Bank has not been so low as it now stands since 1872 when the capital was \$600,000 against the present capital of \$1,000,000. In estimating Profit and Loss the Directors have written off everything considered bad and have made provision for doubtful debts, they have also had to provide for the bonus of two per cent paid to the Stockholders amounting to \$20,000 on the capital of \$1,000,000 and the result although as before stated less than in the preceding year is nevertheless they consider highly satisfactory.

The Directors at their meeting on Saturday last declared a dividend of five per cent for the half year, carrying \$35,000 to the Reserve Fund which will stand at \$275,000 or $27\frac{1}{2}$ per cent on the capital and leaving a balance to be carried forward of \$3,500. The new buildings at Coaticook and Cowansville have been completed and have proved extremely convenient for business and satisfactory to the Managers and to the public. With regard to the new building at the Head Office a contract has been given to Messrs. Quigley & Co. for the sum of \$37,000 which sum will include with the exception of the office fittings everything appertaining to the building. The contractors have given security for the due fulfilment of this contract and the work is being carried on under the supervision of a competent clerk of works. The building is to be rendered up complete on the 1st September, 1876. New By-Laws will be submitted to the meeting in accordance with the provisions of the Bank Act framed after the model of those in use by the Bank of Montreal and other Banks of the Dominion.

The Directors have also after careful consideration determined to recommend to the Stockholders an increase of capital to the extent of \$500,000 to be called up by instalments not exceeding ten per cent, such instalments to be at intervals not less than thirty days apart, with the privilege to any stockholder to pay up in full if he be so minded. They also recommend that this issue be first offered to the

existing Stockholders at a premium of five per cent., such premium to be carried to Reserve Fund.

In conclusion the Directors desire to place on record their sense of the zeal and assiduity of the Cashier and the other officers of the Bank.

Respectfully submitted on behalf of the Board.

R. W. HENEKER,
President.

R. D. Morkill, Esq., moved, seconded by John Thornton, Esq., that the Report now submitted be received. Carried.

The several matters alluded to in the Report and items of account were then fully discussed, and explanations given, after which upon motion the Report of the Directors was adopted and ordered to be printed for distribution.

The item in the Report recommending a further increase of \$500,000 to the capital stock of the Bank having been considered by the meeting.

R. W. Heneker, Esq., moved, seconded by Chas. Brooks, Esq., offered the following Resolution, which was unanimously adopted, viz.:

Resolved,—That the Capital Stock of the Eastern Townships Bank shall be and is hereby increased in one amount in the sum of Five Hundred Thousand Dollars current money of Canada, making the authorized Capital Stock of the said Bank One Million five hundred thousand dollars and the said increase of Five hundred thousand dollars now made to the said Capital Stock, shall be paid in by instalments upon calls to be made pursuant to resolution of the Board of Directors under the provision of "Section 34 of the Act relating to Banks and Banking."

A resolution was also passed recommending that this increase of Capital Stock be issued to Stockholders at a premium of five per cent.

The following Code of new By-Laws was then read by the meeting, after which, one by one they were unanimously

passed and *adopted as the By-Laws* of the Eastern Townships Bank, to come into force and effect this day.

BY-LAW NO. 1.

Enacted by the Shareholders of the Eastern Townships Bank at their Annual General Meeting on the 7th of June, 1875.

I. A general meeting of the Shareholders of the Eastern Townships Bank, shall be held at the Bank, in the Town of Sherbrooke, on the first Wednesday in the month of June in every year, for the election of Directors and other the general purposes of the Bank ; and at every such meeting the outgoing Directors shall submit the statement of the affairs of the Bank prescribed by the Act relating to Banks and Banking (34 V., c. 5, s. 36). If the day fixed for the annual general meeting of the Shareholders shall fall on a legal holiday, the meeting shall be held on the next following day not being such legal holiday.

II. No proxy or Attorney of an absent Shareholder shall be entitled to vote on the shares of his constituent at any meeting of the Shareholders, or to accept and transfer shares, or otherwise to act, for his absent constituent, until he shall have lodged in the Bank a duly executed and authenticated proxy or Power of Attorney from his constituent in such form as the Directors may prescribe.

III. For the management of the affairs of the Bank, the Shareholders, at each annual general meeting, shall elect, by ballot, a Board of nine Directors, who shall be capable of serving as Directors, during the ensuing twelve months, and until they shall be replaced by their duly elected successors. Every such Director at the time of his election shall be, and during the then immediately preceding thirty days shall have been, and during his service as Director shall continue to be, the holder and absolute holder in his own and sole name and right (and not in any other right, or in trust for any purpose, person, or party, or in trust simply), of not fewer than sixty of the paid-up shares of the Capital

Stock of the Bank ; so long as the capital remains at one million dollars, according to the Sec. 28 of the Act relating to Banks and Banking, 34 Vic., Chap. 5, in the case of the increase of the said capital. At every annual general election the outgoing Directors, and each of them, shall be eligible for re-election.

IV. No Director shall, during his service as such, act as a private Banker, or as a Director, Manager or Officer of any other Bank or Banking Company, either public or private ; and in case of the insolvency of a Director, he shall, ipso facto, cease to be a Director.

V. A quorum of not fewer than three shall be necessary at every meeting of the Directors ; and whenever in the interval between two annual general meetings of the Shareholders a vacancy shall occur in the Board of Directors, the remaining Directors shall, from among the qualified Shareholders, fill up the vacancy for the unexpired period.

VI. At their first meeting after their election, the Directors (each having one vote) shall by ballot, elect two or their number to be, respectively, President and Vice-President during the same period ; and whenever a vacancy shall occur in either of these offices, the Board, after completion of their number, shall, in like manner, fill up the vacancy for the unexpired period ; and, at every meeting of the Board, the President or Vice-president, or if both be absent, the Director presiding for the time being, shall vote as a Director (each Director having one vote), and in case of a tie shall also have a casting vote.

VII. No Director shall be present at the Board of Directors at the discussion of any matter in which he, or the partnership of which he may be a member, shall be pecuniarily interested, except at the request of the Board ; nor shall his vote be taken thereon.

VIII. In each year any sum of money not exceeding three thousand five hundred dollars may be taken by the

Board of Directors from the funds of the Bank as remuneration for their services as Directors ; and they may annually apportion the same among themselves in such manner as to themselves in each year may seem fit.

IX. The books for the transfer of shares shall be closed during the fifteen days immediately preceding the day appointed for the payment of a dividend ; and the parties whose names shall, at the close of the books, stand as the Shareholders of the Bank, shall be the parties entitled to receive the dividend, and bonus, if any, then, or about to be declared.

X. The Board of Directors may, from time to time, appoint local Directors for the management of the affairs of Branches of the Bank, and may fix their qualifications and remuneration, define their powers and duties, and revoke their appointment ; but no such local Director shall at any time be appointed or serve as a local Director unless he be, and during his service continued to be, a holder in his own and sole name and right (and not in any other name or right, or in trust for any purpose, person or party, or in trust simply), of not fewer than twenty of the paid-up shares of the capital stock of the Bank.

XI. All By-Laws in existence previous to this date are hereby repealed.

On motion of Hon. T. Lee Terrill, seconded by T. S. Morey, Esq., it was unanimously resolved that the thanks of the Shareholders are due and are hereby tendered the President, Vice-President and Directors, for their valuable services during the past year, and the President was asked to accept the sum of one thousand dollars for his services. A resolution was also passed tendering the thanks of the meeting to the Cashier, Managers and other Officers of the Bank for their attention to the business of the Bank during the past year.

The election of Directors was then proceeded with and all present having deposited their ballots the Scrutineers made their examination and declared that the following named Shareholders were duly elected to serve for ensuing year, viz.: Richard W. Heneker, Charles Brooks, Benjamin Pomroy, Aaron A. Adams, John H. Pope, George K. Foster, Gardner G. Stevens, Erastus O. Brigham and Timothy Lee Terrill.

There being no further business before the meeting, E. T. Brooks, Esq., was asked to take the chair when a vote of thanks was unanimously passed to Lewis Sleeper, Esq., for his able conduct as chairman of the meeting.

R. W. HENEKER,
President.



HON. M. H. COCHRANE

Vice-President 1892-1903.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,248,270.29

RESERVE, FUND - - - \$ 275,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

CHARLES BROOKS, ESQ., VICE-PRESIDENT.

A. A. ADAMS, ESQ., G. K. FOSTER, ESQ.,

HON. G. G. STEVENS, HON. J. H. POPE,

HON. T. LEE TERRILL, HON. M. H. COCHRANE,

E. O. BRIGHAM, ESQ.

WM. FARWELL, JR., - - CASHIER

BRANCHES.

QUEBEC :

WATERLOO	W. G. PARMELEE	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	W. I. BRIGGS	"
COATICOOK	B. AUSTIN	"
RICHMOND	A. J. CLEVELAND	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1876.

LIABILITIES

Capital Paid in.	\$1,248,270.29	
Reserve Fund.....	\$275,000.00	
Premium received on 1875 Stock Allotment.....	20,240.00	
Profit and Loss Balance.....	68,601.58	
		363,841.58
E. T. Bank Bills in Circulation... ..	399,669.00	
Dominion Government Deposits (Demand)	75,031.51	
“ “ “ (After Notice)	105,000.00	
Provincial Gov't Deposits (Demand)...	5,322.78	
“ “ “ (After Notice).	110,000.00	
Other Deposits (Demand).....	273,775.19	
“ “ (After Notice).....	335,879.84	
Dividends unclaimed.....	742.67	
Due to other Banks in Canada.....	56,496.08	
Due to other Banks not in Canada.....	2,535.14	
		1,364,452.21
		<u>\$2,976,564.08</u>

ASSETS

Coin.....	\$83,563.35	
Dominion Notes.....	72,106.00	
Bills and Cheques on other Banks.....	33,022.79	
Due from other Banks in Canada.....	146,783.20	
Due from other Banks not in Canada....	12,649.48	
Due from Banks in the United Kingdom	11,154.92	
		359,279.74
Bank Premises.....		64,402.98
Notes and Bills discounted current....	\$2,462,440.67	
Debts secured by Mortgages and other securities	42,825.04	
Notes and Bills Overdue.....	47,615.65	
		2,552,881.36
		<u>\$2,976,564.08</u>

WM. FARWELL, Cashier.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE SEVENTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1876.

The seventeenth Annual General Meeting of the Shareholders of this Bank was held at the Head Office of the Bank in the City of Sherbrooke, on Wednesday, 7th June, only a small number of Shareholders being present.

The usual notice having been read, the meeting was organized by the election of John Thornton, Esq., of Coaticook, as Chairman, and Wm. Farwell, the Cashier, as Secretary.

Messrs. Thos. S. Morey and Lewis Sleeper were elected as scrutineers of votes.

The minutes of the last annual meeting having been read and confirmed, the President, R. W. Heneker, Esq., on behalf of the Board, submitted the following Report and Statement.

REPORT

The Directors beg to lay before the Stockholders the following report of the position of the Bank at the close of this the 17th year of its existence, with the profit statement

for the year, and the Balance Sheet at the date of closing the books, the 15th May.

PROFIT STATEMENT FOR YEAR ENDING 15th MAY, 1876.

Balance of Profit 15th May, 1875.....	\$88,586.38
Add earnings for past year after deducting cost of management and making provision for bad and doubtful debts.....	110,957.28
DEDUCT—	199,543.66
Amount carried to Reserve Fund, 1875..	\$35,000.00
Vote to President.....	1,000.00
Dividend No. 31, 5% paid July, 1875 ..	49,411.38
Dividend No. 32, 4% paid Jan'y, 1876..	45,530.70
	<u>130,942.08</u>
Balance of Profit.....	<u>\$68,601.58</u>

By a resolution passed at the last annual general meeting, an increase to the capital stock was authorized amounting to \$500,000, with a recommendation to the Directors to allot this increase to stockholders at a premium of five per cent. Of this amount \$440,900 had been subscribed up to the date of the 31st ulto., of which \$259,687.49 was paid in. The amount received at the same date as premiums of five per cent was \$22,045.

The profits of the year have not been so great as in preceding years—the causes of which must be known to the whole commercial community. At the last annual general meeting, the Directors drew the attention of the stockholders to what was then considered an extraordinary curtailment of the trade of the country, and referred especially to the curtailment in Bank circulation within a short period. This state of affairs became worse as the year went on, and, it cannot be said, even yet, that any change for the better has taken place, although more hopeful signs are in some quarters apparent in the business outlook. The circulation of the Bank which in 1875 stood at \$467,403, with a capital of one million dollars, stood on the 15th May last at \$399,000, with a paid-up capital of nearly one and a quarter millions, and there has been a general diminution in the volume of

business done. This Bank only shares with other banking institutions of the Dominion in the general depression of trade, and indeed the complaint is not merely local, for an unparalleled stagnation pervades the whole civilized world.

Careful attention has been bestowed on the business during the past year, and the examination of the branches has been made with close scrutiny.

In estimating Profit and Loss, the Directors have, as they consider, made ample provision for bad debts, but there remains some unadjusted accounts upon which loss may accrue. In such times as the present, safety is the prudent course to pursue, and they therefore reduced the dividend paid in January last to four per cent for the half year, and have declared a similar dividend (four per cent) for the half year just closed, payable on the 3rd July. The amount received as premiums on the new stock, \$20,240, to the date when the books were closed, the 15th May, has been carried to the Reserve Fund, and in addition, the sum of \$4,760 from Profit and Loss. This brings up the Reserve Fund to \$300,000, and leaves a balance of say \$15,000 to be carried forward to meet any contingencies which may arise out of unadjusted accounts. Under the circumstances the Directors feel that they have ground for congratulation, but at the same time they hope for a larger profit and a more cheerful statement next year.

The new building for the Head Office is progressing satisfactorily, and the contractors declare their intention of handing it over to the Bank on the 1st September. The work so far has been well and faithfully done, and the building promises in every way to fulfil the expectations of the Directors. The Branch building at Richmond is also progressing well and will be fit for occupation before the setting in of the cold season.

The Directors desire to express their great regret at the loss of their old colleague and former President, Lt.-Col. Pomroy, who may also be said to have been the founder of

the Institution. It must have been a source of great satisfaction to him in his declining years to have seen the institution which began with such small aims and resources developed into a strong and flourishing bank commanding the confidence and respect, not of the Eastern Townships only, but of the commercial public in our large cities. In conclusion, the Directors desire to express their high appreciation of the services of their Cashier and the other officers of the Bank,

The whole respectfully submitted.

R. W. HENEKER,

President.

On motion of R. W. Heneker, Esq., seconded by L. E. Morris Esq., the Report was received and adopted, and ordered to be printed for distribution.

On motion of Rev. C. P. Reid, seconded by C. J. S. Bacon, Esq., the thanks of the meeting were tendered the President, Vice-President and Directors, for their valuable services during the past year.

On motion of the Hon. J. G. Robertson, seconded by J. B. Paddon, Esq., the thanks of the meeting were tendered the Cashier, Managers, and other officials, for their attention to the interests of the Bank during the past year.

The vote was then taken for the election of Directors, and the scrutineers reported the following shareholders duly elected to serve for the ensuing year, viz. : R. W. Heneker, Charles Brooks, A. A. Adams, G. K. Foster, Hon. G. G. Stevens, Hon. J. H. Pope, Hon. T. Lee Terrill, Hon. M. H. Cochrane, and E. O. Brigham.

There being no further business before the meeting, Rev. C. P. Reid was asked to take the chair, when a vote of thanks was unanimously passed to Mr. Thornton for his able conduct as Chairman.

J. THORNTON,

Chairman.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,330,151.17
RESERVE FUND,	-	-	\$ 300,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

CHAS. BROOKS, ESQ., - VICE-PRESIDENT.

A. A. ADAMS, ESQ. G. K. FOSTER, ESQ.

HON. G. G. STEVENS, HON. J. H. POPE,

HON. T. LEE TERRILL, HON. M. H. COCHRANE,

E. O. BRIGHAM, ESQ.

WM. FARWELL, JR., - - CASHIER.

BRANCHES.

QUEBEC :

WATERLOO	W. I. BRIGGS	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	J. MACKINNON	"
COATICOOK	B. AUSTIN,	"
RICHMOND	A. J. CLEVELAND	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1877.

LIABILITIES.

Capital Paid in.....	\$1,330,151.17
Reserve Fund.....	300,000.00
Profit and Loss Balance.....	10,963.49
	<u>\$ 310,963.49</u>
E. T. Bank Bills in Circulation.....	\$387,347.00
Dom. Government Deposits, on demand	51,265.93
“ “ “ after notice	50,000.00
Prov. Government Deposits, on demand.	7,523.29
Other Deposits on demand.....	278,273.48
“ “ after notice.....	396,245.14
Dividends unclaimed.....	1,288.49
Dividend No. 35, of four per cent., payable 2nd July next.....	53,012.66
Due to other Banks in Canada.....	12,776.45
Due to other Banks not in Canada.....	6,180.73
	<u>\$1,243,913.17</u>
	<u>2,885,027.83</u>

ASSETS.

Coin.....	\$83,265.73
Dominion Notes.....	56,640.00
Bills and Cheques on other Banks.....	13,813.57
Due from other Banks in Canada... ..	111,199.25
Due from other Banks not in Canada... ..	48,120.00
Due from other Banks in the United Kingdom.....	15,168.08
	<u>328,206.63</u>
Bank Premises and Furniture.....	109,421.34
Notes and Bills Discounted Current.....	2,350,993.41
Debts secured by Mortgages and other securities.....	46,389.05
Notes and Bills Overdue.....	50,017.40
	<u>2,447,399.86</u>
	<u>\$2,885,027.83</u>

WM. FARWELL, JR., Cashier.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE EIGHTEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 6TH, 1877.

The eighteenth Annual General Meeting of the Shareholders of this Bank was held at the Head Office on Wednesday, 6th inst.

Among the Shareholders in attendance were R. W. Heneker, Chas. Brooks, Hon. T. Lee Terrill, Hon. J. H. Pope, Hon. G. G. Stevens, A. A. Adams, G. K. Foster, John Thornton, E. T. Brooks, Matthew Read, Edward Chapman, Alfred Hobson, J. B. Paddon, W. A. Taylor, S. J. Pomroy, C. J. S. Bacon, John Wadleigh, John Macenzie and others.

The meeting was organized by the appointment of John Thornton, Esq., of Coaticook, as chairman, and William Farwell, the cashier, as secretary; Messrs. Edw'd T. Brooks and Thos. S. Morey being elected scrutineers of votes.

The minutes of the last annual meeting having been read and confirmed, R. W. Heneker, Esq., on behalf of the Directors, read the following

REPORT

The Directors beg to submit the following Report on the business of the Bank, with statement of Profit for the past year, and the Balance Sheet of Assets and Liabilities on the 15th May, the termination of the financial year.

In the report of 1876, the Directors had to regret the

decreased profit as compared with preceding years, and they are again obliged to repeat their regret that the depression in trade which has so long existed has been, if anything, intensified during the last twelve months. In every quarter the public mind has been moved to consider this grave question, and discussions by Boards of Trade, and even the wisdom of Parliament have been brought to bear on the subject. Were this depression confined to the Dominion of Canada, there might be reason to fear that her merchants and manufacturers had been guilty of exceptional mismanagement, but the widespread troubles of all the great countries of the world serve to show that Canada has borne only her share of the loss. It is a source of satisfaction to have it generally admitted that economy and prudent management have been exercised of late, and the continuance in such a course must, with the blessing of Providence, bring about ultimately renewed prosperity.

In estimating Profit and Loss, great care has been exercised in the examination of the business at the Head Office and the several branches. The amount written off has been extremely heavy, and in a few instances unadjusted accounts still remain, for which provision is required.

The Directors have declared a dividend of four per cent for the half year, payable on the 2nd July, proximo, which, with that paid on the 2nd January last, makes eight per cent for the year, and leaves \$10,976 to be carried forward to meet the contingencies above referred to. The Reserve Fund remains at \$300,000, or over 22½ per cent of the paid-up capital.

If the present promising appearance of the crops in this section of country is an index of what may be seen throughout the Dominion, and should the yield prove remunerative to the farmer, there seems to be every ground for belief that business will become more active, and the Eastern Townships will renew its course of prosperity so largely developed of late years. An occasional check is not an unmixed evil,

but may prove an ultimate benefit, if the lesson be properly taken to heart.

The Directors desire to congratulate the Shareholders on the completion of the new building forming the Head Office of the Bank. Although of necessity a somewhat costly work, yet due economy has been exercised in its construction. The arrangements for business have been found, since its occupation in January last, to be very complete and satisfactory, and the vault and safe arrangement for the protection of the securities are as nearly perfect as possible. The branch building at Richmond has also been completed during the year, and new safes of the most improved character and construction, fitted with time locks, have been furnished at all but one of the Branches.

In conclusion the Directors have the pleasure to express their continued satisfaction at the attention and care exhibited by the Cashier and other Officers of the Bank in the discharge of their duties.

Profit and Loss Statement for year ending 15th May, 1877 :—

Balance of Profit and Loss Account, 15th May, 1876, including premiums received on subscriptions to new stock up to that date, and after providing for Divi- dend No. 33, paid in July last.....		\$39,500.61
Add earnings for past year, after deducting cost of management and amount written off for bad debts..		101,460.44
		<hr/> \$140,961.05
DEDUCT		
Amount carried to Reserve Fund, 1876..		\$25,000.00
Dividend No. 34, paid 1st January last		
4 per cent.....		51,984.90
Dividend No. 35, payable 1st July next,		
4 per cent.....		53,012.66
		<hr/> \$129,997.56
Balance of Profit and Loss carried forward.....		<hr/> \$10,963.49

The whole respectfully submitted.

R. W. HENEKER,
President.

On motion the Report was adopted and ordered to be printed for distribution. The usual votes of thanks to the President and Directors, and also to the Cashier, Managers and other officers of the Bank were then unanimously passed, after which the election of Directors was proceeded with, which resulted in the re-election of the old Board.

The Shareholders expressed their extreme satisfaction at the result of the year's business, and were well pleased with the accommodation afforded in the new and commodious premises of the Bank.

After the usual vote of thanks to the chairman the meeting adjourned.

At the meeting of the new Board, R. W. Heneker was re-elected President and Charles Brooks Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$1,500,000.00
CAPITAL PAID UP, - - -	\$1,370,748.78
RESERVE FUND, - - -	\$ 300,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - - PRESIDENT.

CHAS. BROOKS, ESQ., - - - VICE-PRESIDENT.

A. A. ADAMS, ESQ., HON. M. H. COCHRANE

G. K. FOSTER, ESQ., HON. J. H. POPE,

HON. G. G. STEVENS, HON. T. LEE TERRILL,

J. N. GALER, ESQ.

WILLIAM FARWELL, JR. - CASHIER.

1878.

BRANCHES.

QUEBEC :

WATERLOO	W. I. BRIGGS	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	J. MACKINNON	"
COATICOOK	B. AUSTIN	"
RICHMOND	A. J. CLEVELAND	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1878.

LIABILITIES

Capital Paid in.....	\$1,370,748.78	
Reserve Fund.....	\$300,000.00	
Profit and Loss Balance.....	2,718.89	
		302,718.89
E. T. Bank Bills in Circulation.....	\$376,114.00	
Dominion Government Deposits (Demand)	86,763.24	
Other Deposits on Demand.....	325,804.92	
“ “ After Notice....	584,454.49	
Dividends unclaimed.....	1,852.32	
Dividend No. 37, of 4 per cent., payable		
2nd July next.....	54,700.00	
Due to other Banks in Canada.....	5,261.19	
		1,434,950.39
		<u>\$3,108,418.06</u>

ASSETS

Coin.....	\$80,107.27	
Dominion Notes.....	60,264.00	
Bills and Cheques on other Banks.....	17,321.22	
Due from other Banks in Canada.....	118,735.02	
Due from other Banks not in Canada....	82,772.48	
Due from Banks in the United Kingdom	22,335.60	
		381,535.59
Bank Premises and Furniture.....	\$115,209.82	
Notes and Bills discounted current....	2,426,716.99	
Debts secured by Mortgages and other		
securities.....	87,090.92	
Notes and Bills Overdue.....	97,864.74	
		2,726,882.47
		<u>\$3,108,418.06</u>

WM. FARWELL, Cashier.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE NINETEENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 5TH, 1878.

The nineteenth Annual General Meeting of the Shareholders of this Bank was held at the Head Office of the Bank in the City of Sherbrooke, on Wednesday, 5th day of June, there being a fair number of Shareholders in attendance.

The meeting was organized by the election of John Thornton, Esq., of Coaticook, as Chairman, and William Farwell, the Cashier, as Secretary. Messrs. T. S. Morey and Col. B. T. Morris were elected scrutineers of votes.

The minutes of last annual meeting having been read and confirmed, R. W. Heneker, Esq., President of the Bank, submitted the following report on behalf of the Board :

REPORT.

The Directors have much pleasure in meeting the Shareholders of the Bank at their annual gathering, and beg to submit the following report on the business of the Bank for the past year, with a statement of the Profits made and the Balance Sheet of Assets and Liabilities on the 15th May, when the Books were closed for the year.

It is with unfeigned regret that they cannot as yet express their belief that the severe crisis which has for so long a time hung over the commercial community is past. It was hoped that the productive harvest of last year, if it did not

actually provide the means necessary to wipe out the liabilities incurred during many years of extravagance and speculation, would have so far mitigated the evil as to restore confidence, but it was too deeply rooted to be cured by one harvest, and time, with careful economy on the part of all classes of people, will prove the only cure. The failures in numbers and amount of the great commercial centres during last winter assumed so serious an aspect that it was impossible to gauge the extent of the evil, and although the Eastern Townships Bank are not directly concerned in City business, yet the community generally are always more or less effected by heavy losses at the centre. Happily of late there has been a "lull in the storm," and a better spirit seems now to prevail. If reliance can be placed on the reports of supposed trustworthy persons, there is a much smaller load of debt weighing on the community than formerly, and at the same time, there is a complete absence of speculative business. This will naturally tend to the accumulation of money, and a comparison of this year's deposits with those of last year will show clearly that this accumulation has not only begun, but has already reached a considerable amount.

In last year's Balance Sheet the ordinary deposits amounted to :

On demand.....	\$278,273 00
After notice.....	396,245 00
Together.....	\$674,518 00

They are for the present year :

On demand.....	\$325,804.00
After notice.....	584,454.00
Together.....	\$910,258.00

The condition of trade and the dividends already declared by other banks, will doubtless have prepared the Shareholders to expect only a moderate return for the past year. The Directors feel that they have just cause for con-

gratulation that the net profits, if they have not been all that could be desired, have yet been sufficient to enable them to declare a four per cent dividend for the half year, after making a liberal provision for bad and doubtful debts, leaving a small balance to be carried forward, and the Reserve Fund of \$300,000 intact. The Profit Statement might easily have been made to appear larger by including the interest on accounts which, although perfectly secure, are yet inactive at the present time, but the desire of the Directors was rather to act prudently than to show a large profit.

A careful and searching examination of the Branches has been made twice during the year, and the business at the Head Office has also undergone a rigid scrutiny.

During last summer the Merchants Bank withdrew from Granby, and an agency was opened in that village, the Eastern Townships Bank taking over the old office and safe of the outgoing bank. The Directors would not at the present time have thought of extending the business, but there were peculiar circumstances attending this case, which induced them to open the agency under the management of Mr. Robinson, of Waterloo. The result has been such as to justify the course taken.

The Directors have to express their deep regret at the decease of their colleague, Mr. Brigham. He was a man of high character in the commercial world, and, until struck down by illness, took great interest in the prosperity of the Bank.

Besides the old Board who offer themselves for re-election, the Directors have the pleasure to state that Mr. Galer of Dunham, has been induced to offer himself as a candidate to fill the place left vacant by the death of Mr. Brigham. Mr. Galer has always shown great interest in the welfare of the Bank, and has ever been ready to assist the manager at Cowansville with his friendly advice.

The following is the Profit and Loss Statement for year ending 15th May, 1878 :—

Balance of Profit and Loss Account, 15th May, 1877,	
after providing for Dividend No. 35, paid in July last	\$10,963.49
Add earnings for past year, after deducting cost of management and amount written off for bad debts.....	100,115.77
	<hr/> \$111,079.26

DEDUCT

Dividend No. 36, paid 1st January last	
4 per cent.....	\$53,660.37
Dividend No. 37, payable 2nd July next,	
4 per cent.....	54,700.00
	<hr/> 108,360.37
Balance of Profit and Loss carried forward.....	<hr/> \$2,718.89

The whole respectfully submitted.

R. W. HENEKER,
President.

After remarks by the President and several Shareholders the Report was adopted and ordered to be printed for distribution. Votes of thanks to the President, Vice-President and Directors, also to the Cashier, Managers and other officers of the Bank were unanimously passed, after which the election of Directors was proceeded with, which resulted in the election of the following named gentlemen, viz.;—A. A. Adams, Chas. Brooks, M. H. Cochrane, G. K. Foster, J. N. Galer, R. W. Heneker, John Henry Pope, G. G. Stevens, and T. Lee Terrill, being the old Board with the exception of Mr. Galer, elected in place of the late Mr. Brigham.

After the usual vote of thanks to the Chairman the meeting adjourned.

At the meeting of the new Board, R. W. Heneker was re-elected President, and Chas. Brooks, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,381,568.34
RESERVE FUND,	-	-	\$200,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. T. LEE TERRILL - VICE-PRESIDENT.

A. A. ADAMS, ESQ. HON. M. H. COCHRANE,

G. K. FOSTER, ESQ. J. N. GALER, ESQ.

HON. J. H. POPE, HON. G. G. STEVENS,

T. S. MOREY, ESQ.

WM. FARWELL, - GENERAL MANAGER

1879

BRANCHES.

QUEBEC :

WATERLOO	W. I. BRIGGS	Manager
STANSTEAD	A. P. BALL	"
COWANSVILLE	J. MACKINNON	"
COATICOOK	B. AUSTIN	"
RICHMOND	A. J. CLEVELAND	"
GRANBY	W. H. ROBINSON	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1879.

LIABILITIES.

Capital Paid in.....	\$1,381,568.34
Reserve Fund.....	\$200,000.00
Profit and Loss Balance.....	9,663.53
Dividend No. 39 of 3½ per cent., payable 2nd July next.....	48,348.08
	<u>\$258,011.61</u>
E. T. Bank Bills in Circulation.....	\$352,087.00
Dominion Deposits on Demand.....	91,723.97
Other Deposits on demand.....	228,041.29
“ “ after notice.....	768,758.19
Dividends unclaimed.....	2,506.17
Due other Banks in Canada.....	7,222.03
Due other Banks not in Canada.....	292.64
Due other Banks in the United Kingdom.....	1,520.86
	<u>1,452,152.15</u>
	<u><u>\$3,091,732.10</u></u>

ASSETS.

Specie.....	\$92,726.34
Dominion Notes.....	59,546.00
Bills and Cheques on other Banks.....	22,453.84
Due from other Banks in Canada..	186,092.34
Due from other Banks not in Canada...	9,366.18
	370,184.70
Bank Premises and Furniture.....	\$108,556.78
Notes and Bills Discounted and Current.	2,414,232.41
Loans secured by Bonds or Debentures..	60,304.00
Debts secured by Mortgages and Real Estate.....	71,910.54
Notes and Bills overdue, not specially secured.....	66,543.67
	<u>2,721,547.40</u>
	<u><u>\$3,091,732.10</u></u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTIETH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 4TH, 1879.

The twentieth Annual General meeting of the Shareholders of this Institution was held at the Banking House in the City of Sherbrooke on Wednesday, the 4th day of June. About thirty shareholders were present, amongst others, Mr. A. T. Foster, President National Bank of Derby Line, Vt. ; Mr. C. S. Cutting, of Derby, Vt., Mr. Thornton, of Coaticook, Dr. Webber, of Richmond, Messrs. Luther Abbott and Carlos Cox of Hatley, Mr. Wiley of Rock Island, Hon. J. G. Robertson, Mr. E. Clark, Mayor of Sherbrooke ; Revds. A. C. Scarth and C. P. Reid, Mr. E. T. Brooks, M. P., Capt. I. Wood, Mr. M. Reid, Mr. C. R. Clough, Col. B. T. Morris, &c. &c. The hour of meeting having arrived, the General Manager read the published notice calling the meeting, whereupon, on motion, Mr. A. T. Foster of Derby Line was unanimously elected Chairman of the meeting.

The General Manager, Mr. Farwell, was elected Secretary, and Messrs. T. S. Morey and John Thornton Scrutineers of votes.

The minutes of the last annual meeting having been read and confirmed, the President, Mr Heneker, on behalf of the Board, submitted the following

REPORT :

The Directors beg to lay before the Shareholders the Balance Sheet of the Bank books on the 15th May, together

with a Statement of Profit and Loss for the past year.

In considering this Statement, which for the first time in the history of the Bank shews a retrograde movement, the Directors invite the attention of the Shareholders to similar statements issued by other Banks of the Dominion. When such institutions as the Bank of Montreal, the Bank of Toronto, the Bank of British North America, and other large, important and well managed Banks shew serious loss and depreciation, it is a proof that the financial condition of the whole country is affected, and that the result now shewn is not due to merely local causes.

It may be interesting to trace in a few words the first indication and course of this long continued gigantic crisis. Reference to the Report of 1874 will show that allusion was therein made to dulness of trade in the preceding autumn, following a panic in the United States, and although the Eastern Townships Bank had been prosperous during the preceding year, yet the period was one of anxiety. The Report of 1875 shews that the Dominion had begun to experience the evils caused by the curtailment of business in the United States, and that these had even spread across the Atlantic. The Report of 1876 shews that an intensified stagnation of trade then prevailed throughout the world, and from that time to this no improvement has been manifest, but on the contrary, disaster has followed disaster, until at length almost the only remaining profitable business (become so through the disasters of trade), is that of the Official Assignee.

During all this period the task of managing a Banking institution has entailed very great responsibilities. Even in cases where the business was apparently safe and well conducted, losses accrued through the failures of others, and each day the money and commercial articles of the Montreal papers have been scrutinized with dread. In the meantime also the value of all classes of property has diminished, and although a general feeling exists that the worst of the crisis

is past, yet, without a much more clear view of the future prospects of trade, it would be unwise in any institution to withhold the pruning knife so as to endeavor to bring its securities within the compass of the present values as nearly as they can be estimated. The Shareholders will recognize the principle that over-valuation is of no service to an estate, but may become a serious evil.

The Directors at their meeting yesterday declared a dividend of three and one-half per cent for the half year, making in all seven per cent for the year. This dividend with a considerable sum in addition thereto, has been fairly earned, and the Directors feel that the Shareholders are entitled to receive it at their hands.

The Profit and Loss Statement shows clearly how the losses for the year, and the depreciation in values have been provided for. If the Reserve Fund has been drawn upon, yet the Shareholders will see the importance of such a fund and it will be a subject for congratulation that the large sum of \$200,000 remains intact of this fund, equal to nearly $14\frac{1}{2}$ per cent of the paid up capital.

The Shareholders may not unnaturally look for some expression of opinion as to the future, and although it is at the present time difficult to forecast, and especially so in the face of so many prophetic failures in the past, yet it would seem to be almost impossible—unless under a calamitous dispensation of Providence in the shape of a bad harvest—that the present state of affairs can continue much longer without a change for the better. The saving habits of all classes, the greater energy thrown into the work of the farm, the cheapened cost of all manufactured goods, all seem to tend to better returns, with a more reasonable rate of living. At all events it is a source of infinite satisfaction to be able to record that despite all drawbacks, real abject poverty is almost unknown in the Eastern Townships.

The Directors also desire to mention that the Head

Office and Branches have been examined as usual, and the business at each carefully scrutinized.

The unfortunate failure of the late Vice-President, Mr. Charles Brooks, has, in addition to the loss to the Bank accruing therefrom, thrown also an additional load of responsibility on the President and General Manager. Mr. Brooks' calm, methodical business habits have been greatly missed.

The task of selecting a Director resident in Sherbrooke, as well as the election of the Board for the ensuing year, rests with the Shareholders.

The whole respectfully submitted on behalf of the Directors.

R. W. HENEKER,
President.

The President followed the Report with some verbal comments in explanation, expressing the regret of the Directors that, owing to the continued depression in all business, in order to meet losses and to reduce values of securities in accordance with the reduction in all classes of property throughout the country, they had been obliged to draw so heavily upon the Reserve Fund, and after alluding to some of the losses, closed by expressing his conviction that the remainder of the Reserve Fund of \$200,000 was intact, and moved the reception of the Report. A very interesting and critical, but not unfriendly discussion followed, mostly conducted by Mr. J. B. Paddon, Mr. L. E. Morris, Rev. A. C. Scarth, and Hon. J. G. Robertson, on the part of the shareholders, after which, upon motion of Hon. J. G. Robertson, seconded by Rev. A. C. Scarth, the Report was unanimously adopted, and ordered to be printed for distribution.

On motion by Rev. C. P. Reid, seconded by Mr. J. B. Paddon, the thanks of the shareholders were unanimously voted to the President and Directors for their management of the affairs of the Bank during the past year.

On motion by Mr. Edward Chapman, seconded by Dr. R. N. Webber, the thanks of the shareholders were voted to the General Manager, the Managers of the several Branches and the other Officers of the Bank for their attention to the business of the Bank during the past year.

Before proceeding to the election of Directors, Mr. E. T. Brooks, M. P., drew the attention of the meeting to the probable discussion that would ensue at the next session of Parliament on the renewal of the Bank Act of the Dominion, and in order to be prepared for any discussion and that their representatives might be made aware of their wishes respecting any amendments or modifications in the Act, he suggested that a committee of the shareholders, with the President of the Bank as Chairman, be appointed to prepare a draft of any such changes or modifications, and that they be submitted to a special general meeting to be called for that purpose prior to the meeting of Parliament. This suggestion was adopted by the meeting, and on motion the following shareholders were appointed as such Committee, viz., the President, Mr. R. W. Heneker, Hon. J. G. Robertson, Mr. E. T. Brooks, M. P., Dr. R. N. Webber, Mr. John Thornton, Mr. J. B. Paddon, and Mr. L. E. Morris.

The election of Directors was then proceeded with, which resulted in the election of the following shareholders viz: A. A. Adams, M. H. Cochrane, G. K. Foster, J. N. Galer, R. W. Heneker, T. S. Morey, J. H. Pope, G. G. Stevens, T. Lee Terrill, being the members of the old Board, with the addition of Mr. T. S. Morey.

There being no further business before the meeting, Hon. T. Lee Terrill was requested to take the chair, when a unanimous vote of thanks was passed to Mr. Foster for his able conduct as Chairman.

At the meeting of the new Board Mr. R. W. Heneker was re-elected President, and Hon. T. Lee Terrill Vice-President.

A. T. FOSTER,

Chairman.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1879.

Balance at credit of Profit and Loss carried forward from May 15th, 1878.....	\$2,718.89
Profit of Head Office and Branches, after deducting charges of Management and interest due depositors	108,900.07
Transfer from Reserve Fund.....	100,000.00
	<hr/>
DEDUCT—	\$211,618.96
	<hr/>
Dividend of 3½ per cent, paid January 2nd, 1879.....	\$48,229 76
Dividend of 3½ per cent, payable July 2nd, 1879.....	48,348.08
Amount written off to cover Losses and reduction in values.....	105,377.59
	<hr/>
	201,955.43
	<hr/>
Balance of Profit and Loss carried forward	\$9,663.53

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,382,037.40

RESERVE, FUND - - - - \$ 200,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

A. A. ADAMS, ESQ., - VICE-PRESIDENT.

HON. M. H. COCHRANE, G. K. FOSTER, ESQ.,

J. N. GALER, ESQ. HON. J. H. POPE,

HON. G. G. STEVENS, T. S. MOREY, ESQ.

JOHN THORNTON, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

COATICOOK	B. AUSTIN	Manager
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	A. J. CLEVELAND	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	A. P. BALL	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th 1880.

LIABILITIES

Capital Paid in.....		\$1,382,037.40
Reserve Fund.....	\$200,000.00	
Profit and Loss Balance.....	6,136.16	
Dividend No. 41 of 3½ per cent., payable 2nd July next.....	48,371.01	
		254,507.17
E. T. Bank Bills in Circulation.....	\$496,018.00	
Dominion Deposits on Demand.....	54,843.35	
Provincial Deposits on Demand.....	9,194.07	
Other Deposits on Demand.....	355,482.36	
Other Deposits after notice.....	931,552.43	
Dividends unclaimed.....	2,536.73	
Due other Banks in Canada.....	13,162.57	
Due other Banks in the United Kingdom	8,101.86	
		1,870,891.37
		<u>\$3,507,435.94</u>

ASSETS

Specie.....	\$111,488.20	
Dominion Notes.....	59,663.00	
Bills and Cheques on other Banks.....	18,945.12	
Due from other Banks in Canada.....	231,913.35	
Due from other Banks not in Canada...	141,234.69	
		563,244.36
Bank Premises and Furniture.....	\$108,669.43	
Notes and Bills Discounted and Current	2,309,528.47	
Loans secured by Bonds or Debentures..	130,436.16	
Loans to Provincial Government.....	250,000.00	
Other Assets.....	30,356.12	
Debts secured by Mortgage & Real Estate	84,621.27	
Notes and Bills overdue, not specially secured.....	30,580.13	
		2,944,191.58
		<u>\$3,507,435.94</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-FIRST ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1880.

The twenty-first Annual General Meeting of the Stockholders of this Institution was held at their Banking House in the City of Sherbrooke, on Wednesday, June 2nd, about thirty Shareholders being present, amongst them being Isaac Harvey, Hatley ; Thos. Hart and G. K. Foster, Richmond ; E. J. Hale, Quebec ; Horace Stewart, Beebe Plain ; A. A. Adams and John Thornton, Coaticook ; H. S. Jones, Coventry, Vt. ; Hubbard Joslyn, Charleston, Vt. ; J. N. Galer, Dunham ; Hons. G. G. Stevens, Waterloo, and M. H. Cochrane, Compton ; Rev. A. C. Scarth, and Messrs. Paddon, Chapman, Morris, Hale and Hart, Lennoxville ; Rev. C. P. Reid, Messrs. M. Reid, Heneker, Hale, Clark, Brooks, M. P., Dr. Johnston, Capt. I. Wood, and others, Sherbrooke.

The notice of meeting having been read,

On motion, Rev. A. C. Scarth, of Lennoxville, was unanimously elected chairman of the meeting.

On motion, Wm. Farwell, the General Manager, was elected Secretary, and Messrs. T. S. Morey, and Capt. I. Wood, were elected Scrutineers of votes.

The minutes of last annual meeting and the special general meeting, held 21st January last, to receive the report of the Committee appointed at last annual meeting, to consider and suggest any amendments to the Bank Act, were read and confirmed.

Mr. Heneker, the President of the Bank, then submitted the report of the Directors, as follows :

REPORT.

The Directors have the pleasure to lay before the Stockholders the Balance Sheet of the Bank on the 15th ult., and the Profit and Loss Statement for the past year. The year opened with a balance of profit brought forward of \$9,663.33 to which has been added after providing for bad and doubtful debts, \$93,210.88, as the net profits of the year, making in all \$102,874.41 available for dividend. Out of this sum a half-yearly dividend of $3\frac{1}{2}$ per cent. was paid in January last, and at their meeting yesterday a second half-yearly dividend of $3\frac{1}{2}$ per cent., (making in all 7 per cent. for the year) was declared, payable on the 2nd July next, leaving \$6,136.16 to be carried forward to the credit of Profit and Loss.

It will be within the recollection of the Stockholders that the last year—1878-9—was the most difficult which the Bank had ever passed through, requiring the withdrawal of one-third of the reserve to write down values to the low standard to which all classes of property had fallen. At the same time a hope was hazarded that a re-action might ensue. During the early part of the financial year—indeed up to a late period in the autumn—it seemed as if there were no valid grounds for this hope, but then, the full importance of a bountiful harvest began to show itself in a greatly increased demand for all kinds of produce from Europe, where the harvests—especially in England—had been a complete failure. The life thus given to agriculture was followed as a matter of course by increased activity in trade. The manufactures of the country were again in demand, giving steady employment to the people. Time is required, no doubt, after so prolonged a crisis, to restore confidence and to make up for losses ; but there seems to be on the whole a

steady re-action, which will be all the more lasting if kept within moderate bounds.

Before calculating the net profits of the year, the Directors gave thorough attention to the condition of each account, as well at the Branches as at the Head Office, and thought it prudent still further to apply the pruning knife, but the absolute losses of the year have been but small. At the same time the profits have not been so great as in former years. The abundance of money at the command of the Banks, shewn in their large deposits, has had no profitable outlet, and it was impossible to place the reserves so as to realize a fair return from the investment, and yet keep it available in case of need. Thus large deposits became for the time a source of weakness. The interest paid on them, although lowered, was still too high, considering the difficulties of using these deposits to advantage, and it was under consideration for some time whether the Bank could continue to allow interest on deposits excepting under very special terms of agreement.

The past year has been important, from the fact that a new Banking Act has been passed at Ottawa, extending the Charters of existing banks for ten years. from the first July, 1881. The Committee appointed at the last annual meeting, in anticipation of this measure, after several meetings, reported to a special meeting of Stockholders, held in January last, and the President, armed with the views of the Stockholders, as at that time expressed, attended three times at Ottawa at conferences of bankers from all parts of the Dominion, with a view to advise with the Government on this important measure. The new Banking and Currency Act are the result. The Banks have lost some of their former privileges, their circulation being affected by the withdrawal after the 1st July, 1881, of their powers to issue \$4 bills, or any bills not 5's, or multiples of 5, and the Government has taken increased powers of issue, based on a smaller reserve, To this measure all the banks were oppo-

sed, as one which might lead to future danger. Some changes were also made connected with the working of Banks, which it would require too much space to dwell on in this report, but the Act may be said to be a compromise, carefully considered between the views put forth by the Government and the claims which the Banks felt constrained to make, as the protectors and main upholders of the commerce of the country.

The Directors had to mourn, during the year, the loss of their colleague, the late Hon. T. Lee Terrill, Vice-President. He was a man who proved himself at all times prudent and wise in council, and devoted to the interest of the Bank. The Directors might have filled his place at once, but preferred leaving the matter open until the annual meeting.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1880.

Balance at credit of Profit & Loss carried forward from 15th May, 1879.....	\$9,663.53
Profit of Head Office and Branches, after deducting charges of Management, interest due Depositors, and providing for bad and doubtful debts.....	93,210.88
	<hr/> \$102,874.41
DEDUCT—	
Dividend of $3\frac{1}{2}$ per cent., paid January 2nd, 1880.....	\$48,367.24
Dividend of $3\frac{1}{2}$ per cent., payable July 2nd, 1880.....	48,371.01
	96,738.25
Balance of Profit and Loss carried forward..	<hr/> <u>\$6,136.16</u>

The whole respectfully submitted,

R. W. HENEKER,
President.

After reading the report the President entered into very full verbal explanations in relation thereto, and dwelt particularly on the fact that the only loss made by the Bank on

Current Account during the year was through the depreciation of Mechanics Bank bills. He congratulated the Shareholders on the result, and hoped that the reaction, which had taken place in the business of the country would prove permanent. He referred to the difficulties experienced in the profitable investment of their reserves and to the great increase in the amount deposited with the Bank, which was rather a cause of weakness under present circumstances. He also referred to the passage of the Bank Act during the last session at Ottawa, which he described as a compromise between what was thought advisable by the Bank, in the interests guarded by them, affecting the commerce of the country and the desire of the Government to meet the popular demands arising out of the recent Bank disasters. The Banks by the New Currency Act, would lose the power of issuing 4 dollar bills, and would be restricted to 5's, and multiples of 5. As regards the E. T. Bank, this must restrict their circulation, as the 4's entered largely into circulation in the Townships, but an enlarged issue of 5's might be made, in some degree, to compensate for that. He referred to the extremely satisfactory nature of the conferences held by bankers at Ottawa, when discussing the question with the Government, and praised the course taken by the Managers of the large Institutions of the country, in being as careful of the welfare of the smaller Banks as if they themselves had represented them.

He entered at length into the working of some of the details of the Bank Act, as they would affect the Eastern Townships Bank, and concluded by expressing the belief that a new era of prosperity might reasonably be expected from careful and judicious management, and moved the adoption of the Report.

After some remarks by Rev. C. P. Reid, Messrs. E. T. Brooks, M.P., and others, Rev. Mr. Reid seconded the Resolution, and the report was unanimously adopted.

On motion of Col. B. T. Morris, seconded by Capt. I.

Wood, it was unanimously resolved that this meeting do fully concur in the Resolution recorded by the Directors, respecting the loss sustained by the Bank in the death of the late Hon. T. Lee Terrill, Vice-President.

The usual votes of thanks were then passed to the President, Directors and the Officers of the Bank, after which the election of Directors was proceeded with, and the Scrutineers reported the old Board re-elected, with the addition of Mr. John Thornton, of Coaticook, to replace the Hon. T. Lee Terrill.

There being no further business before the meeting the Chairman was asked to leave the Chair, and Mr. J. B. Paddon take the same, when a vote of thanks was passed to Rev. Mr. Scarth for his able conduct as chairman of the meeting.

A. CAMPBELL SCARTH,

Chairman.

At the meeting of the new Board, R. W. Heneker, was re-elected President, and A. A. Adams, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,386,855.61

RESERVE, FUND - - - - \$ 220,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

A. A. ADAMS, ESQ., - VICE-PRESIDENT.

HON. M. H. COCHRANE, G. K. FOSTER, ESQ.,

J. N. GALER, ESQ. HON. J. H. POPE,

HON. G. G. STEVENS, T. S. MOREY, ESQ.

JOHN THORNTON, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

COATICOOK	B. AUSTIN,	Manager
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 14th, 1881.

LIABILITIES

Capital Paid in.....	\$1,386,855.61
Reserve Fund.....	\$220,000.00
Profit and Loss Balance.....	1,726.20
Dividend No. 43 of 3½ per cent., payable 2nd July next.....	48,528.32
	270,254.52
E. T. Bank Bills in Circulation.....	\$702,634.00
Dominion Deposits on Demand.....	50,582.42
Provincial Deposits on Demand.....	22,611.99
Other Deposits on Demand.....	376,105.66
Other Deposits after notice.....	1,109,926.73
Dividends unclaimed.....	2,958.46
Due other Banks in Canada.....	9,019.04
Due other Banks in the United Kingdom.....	11,506.76
	2,285,345.06
	<u>\$3,942,455.19</u>

ASSETS

Specie.....	\$98,944.37
Dominion Notes.....	75,434.00
Bills and Cheques on other Banks.....	16,655.23
Due from other Banks in Canada.....	147,140.83
Due from other Banks not in Canada....	187,001.89
	525,176.32
Bank Premises and Furniture.....	\$100,000.00
Notes and Bills Discounted and Current	2,977,175.16
Loans secured by Bonds or Debentures..	111,899.10
Loans to Provincial Government.....	5,324.02
Loans to Dominion Government.....	8,500.00
Other Assets.....	34,381.96
Notes and Bills Overdue and other Over- due Debts, secured by Mortgage and Real Estate.....	135,134.45
Notes and Bills Overdue, and other Over- due Debts, not specially secured.....	44,864.18
	3,417,278.87
	<u>\$3,942,455.19</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-SECOND ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1ST, 1881.

The twenty-second Annual General Meeting of the Stockholders of this Institution was held at their Banking House in the City of Sherbrooke, on Wednesday, the first day of June, the following shareholders were present, viz :

Messrs. R. W. Heneker, A. A. Adams, Rev. C. P. Reid, Rev. F. Robinson, Col. B. T. Morris, Rev. A. C. Scarth, Col. Kippen, John Thornton, T. S. Morey, Edward Chapman, J. B. Paddon, Linden A. Wiley, G. K. Foster, Lt.-Col. King, Major I. Wood, G. G. Stevens, J. N. Galer and others.

Notice calling the meeting having been read by the General Manager.

On motion, Mr. J. B. Paddon, of Lennoxville, was unanimously chosen Chairman of the meeting.

Mr. Wm. Farwell, the General Manager, was requested to act as Secretary.

Col. Kippen, of Lennoxville, and Major I. Wood, of Sherbrooke, were elected Scrutineers of votes.

Mr. R. W. Heneker, the President of the Bank, on behalf of the Directors, then submitted the following

REPORT.

The Directors in presenting to the Shareholders the Balance Sheet of the Bank at the close of the fiscal year, the 14th ult., together with the Profit and Loss Statement for

the year, desire to congratulate them on the present satisfactory state of affairs.

The balance at the credit of Profit and Loss on the 15th May, 1880, deducting the dividend payable on the ensuing 2nd July was \$6,136.16, to which has been added \$125,146.91 as the net profits for the year, after providing amply for all contingencies. This made the available profit \$131,283.07. A dividend of $3\frac{1}{2}$ per cent. was paid on the 2nd January last, and at the meeting of the Directors yesterday another dividend of like amount was declared payable on the 2nd July next. These two dividends absorb \$96,942.44, and leave an unapplied balance of \$34,340.63. The Directors have determined to use this balance by reducing the amount standing at the debit of Bank Premises and Furniture Account to the net sum of \$100,000.00, by an appropriation of \$12,614.43. They have also credited Reserve Fund with \$20,000.00, which leaves a balance to be carried forward at the credit of Profit and Loss of \$1,726.20.

In thus applying the profits of the past year, the Directors felt that they were consulting the true interests of the shareholders. It should be the aim of all Banking Institutions so to strengthen their reserves that the risk of permanent deterioration by the recurrence of bad times may be avoided. Banking affairs are, like other business matters, subject to fluctuation from contingencies often beyond the control of managers or directors, and although business may be said to be in a fair state, yet some adverse circumstances have to be guarded against.

The Banking Act of 1880, as was mentioned in the report of last year, provides for the issue by the Dominion Government of all bills under \$5, limiting the circulation of the Banks to \$5 and upward. Our own Bank has always had a large part of its circulation in \$4 bills, and must therefore to some extent be affected by this change in the law. This part of the Act comes into force on the 1st July next, and although we may do our best to substitute \$5s for

\$4s, we must look forward to some reduction in circulation.

Again, the rate at which money can be loaned has been greatly reduced within a short period. This is partly due to the fact that there is still an absence of a speculative spirit in the community, as evidenced by the large deposits accumulated in the Banks, and partly to the establishment of new Loan Companies based on foreign capital, such as the *Crédit Foncier*. The old Loan Companies have been seriously affected in their business by these changes, and the Banks find it difficult and indeed impossible to lend money at short date, with the conditions of repayment at maturity, excepting at very moderate rates of interest. The Directors feel, therefore, that a cautious policy is necessary, and they hope, by the exercise of due care that the Eastern Townships Bank will retain the good name it has acquired.

The general business of the country is good. In Sherbrooke the manufacturers are fully employed. In Coaticook, besides the Cotton Company recently established and which has proved a financial success, a large Beet Root Sugar Manufacturing Company has been organized. At West Farnham a Beet Root Sugar Manufactory of at least equal capacity with that at Coaticook is also under way. At Capelton and in Bolton large numbers of men are employed in Copper mining; and the various uses to which it is found Asbestos may be applied has given an importance to this mineral (large quantities of which are found in parts of these Townships) which is tending to the development of these mines. The lumber trade has again become full of life and activity, and in consequence of all these matters labour has advanced in value.

As an Eastern Townships Institution the Bank watches, of course, with great interest everything which tends to develop the resources of this section of country, and the signs are considered by the Directors the more healthy because they are not confined to our section or our business, but embrace agriculture as well as manufactures and mining in-

dustries. And it is on these grounds, as well as on the returns they have to exhibit, that they consider the present aspect of affairs to be satisfactory, taking heed at the same time to exercise caution in the administration of the affairs of the Bank.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 14TH, 1881.

Balance at credit of Profit and Loss carried forward from 15th May, 1880.....	\$6,136.16
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, and providing for bad and doubtful debts.....	<u>125,146.91</u>
	<u>\$131,283.07</u>
DEDUCT	
Dividend of 3½ per cent., paid January 2nd, 1881.....	\$48,414.12
Dividend of 3½ per cent., payable July 2nd, 1881.....	48,528.32
Transferred to Reserve Fund.....	20,000.00
Applied in reduction of Bank Premises and Furniture.....	12,614.43
	<u>129,556.87</u>
Balance of Profit and Loss carried forward....	<u><u>\$1,726.20</u></u>

The whole respectfully submitted on behalf of the Directors,

R. W. HENEKER,
President.

The President having read the Report entered more fully into an analysis of the general accounts of the Bank, and in closing moved its adoption. After congratulatory remarks by several of the shareholders, Mr. A. A. Adams, seconded the motion of the President, when it, the Report, was unanimously adopted.

The usual votes of thanks to the President and Directors and to the Officers of the Bank were then passed, after which the election of Directors was proceeded with, which resulted in the re-election of the old Board by an unanimous

vote, viz. : R. W. Heneker, A. A. Adams, G. K. Foster, J. H. Pope, G. G. Stevens, M. H. Cochrane, T. S. Morey, John Thornton, and J. N. Galer.

There being no further business before the meeting, Mr. T. S. Morey, was requested to take the chair, when a vote of thanks was passed to Mr. Paddon, for his able conduct as Chairman.

J. B. PADDON,
Chairman.

At the meeting of the new Board, R. W. Heneker and A. A. Adams, were re-elected President and Vice-President respectively.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,397,659.85
RESERVE FUND,	-	-	- \$ 270,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

A. A. ADAMS, ESQ., - VICE-PRESIDENT.

HON. M. H. COCHRANE, G. K. FOSTER, ESQ.

J. N. GALER, ESQ. HON. J. H. POPE,

HON. G. G. STEVENS, T. S. MOREY, ESQ.

JOHN THORNTON, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

COATICOOK	B. AUSTIN	Manager
COWANSVILLE	J. MACKINNON	"
FARNHAM	E. N. ROBINSON	Agent
GRANBY	W. H. ROBINSON	Manager
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1882.

LIABILITIES.

Capital Paid in.....	\$1,397,659.85
Reserve Fund.....	\$270,000.00
Profit and Loss Balance.....	3,242.53
Dividend No. 45 of 3½ per cent., payable 3rd July next.....	48,832.00
	\$322,074.53
E. T. Bank Bills in Circulation.....	\$878,260.00
Dominion Deposits on Demand.....	64,947.32
Provincial Deposits on Demand.....	22,545.54
Other Deposits on demand.....	405,480.54
“ “ after notice.....	1,507,772.56
Dividends unclaimed.....	1,706.53
Due other Banks in Canada.....	24,871.85
Other Liabilities.....	6,319.88
	<u>2,911,904.22</u>
	<u>\$4,631,638.60</u>

ASSETS.

Specie.....	\$99,429.94
Dominion Notes.....	87,696.00
Bills and Cheques on other Banks.....	19,926.69
Due from other Banks in Canada..	115,049.24
Due from other Banks not in Canada...	302,313.33
Due from other Banks in the United Kingdom.....	44,362.04
	668,777.24
Bank Premises and Furniture.....	\$100,000.00
Notes and Bills Discounted and Current.	3,164,111.99
Loans secured by Bonds or Debentures..	473,456.20
Other Assets.....	30,074.28
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate.	143,025.98
Notes and Bills Overdue and other Over. due Debts, not specially secured.....	52,192.91
	<u>3,962,861.36</u>
	<u>\$4,631,638.60</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-THIRD ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1882.

The twenty-third Annual General Meeting of the Shareholders of this Bank was held at their Banking House, in the City of Sherbrooke, on Wednesday, the 7th day of June instant, only a small number of shareholders being present.

The usual notice calling the meeting having been read,

On motion of R. W. Heneker, seconded by J. B. Paddon, Lt.-Col. King was unanimously chosen Chairman of the meeting.

On motion of Rev. A. C. Scarth, seconded by Major I. Wood, Wm. Farwell, the General Manager, was elected Secretary.

On motion of Hon. J. G. Robertson, seconded by R. W. Heneker, Messrs. J. B. Paddon, and Major Wood were elected scrutineers of votes.

The minutes of last annual meeting having been read and confirmed,

R. W. Heneker, on behalf of the Board, read the following

REPORT :

In submitting their usual Annual Report, the Directors desire to congratulate the stockholders on the prosperous year just brought to a close, and on the increased volume of business which the accounts disclose, as exhibited in the annexed Balance Sheet of the 15th ulto., and the Profit and Loss Statement of the year.

The balance of profit brought forward from the preceding year was \$1,726.20 to which there has been added—after making full allowance for bad and doubtful debts—\$149,095.68, making a total of \$150,821.88.

A dividend at the rate of $3\frac{1}{2}$ per cent., was paid in January last. and at their meeting yesterday, the Directors declared another dividend of like amount, payable on the 3rd July next.

These two dividends together, 7 per cent., absorb the sum of \$97,579.35, leaving \$53,242.53 still to be disposed of. The Directors propose to place \$50,000.00 to the credit of Reserve Fund, thereby increasing the said fund to \$270,000.00, representing nearly 20 per cent. on the paid up capital, and to carry forward \$3,242.53. They hold to the principal that a wise banking policy is best shown by a large reserve and the payment of a fair interest to stockholders, and they are pleased to be able to shew that the reserve of this Bank is rapidly regaining the position which it held before the late disastrous financial state of affairs.

Until lately there have been few matters to touch upon of any great interest to the stockholders. As before remarked, the volume of business has been very large, yielding a net profit in the year exceeding that of the previous year by \$24,000.00, and this in the face of cheap money, the rates of loans having gradually been reduced from time to time. Apart from Bank loans, all money lenders will agree that it has become more and more difficult to obtain remunerative rates for loans where the security is first-class. And although the result has proved beneficial to the country, it has no doubt told adversely on the incomes of those who depend on their investments for a living. The interest deposits of this Bank have increased during the year from \$1,109,926.00 to \$1,507,772.00, on which interest has been paid at the rate of 3 per cent. The circulation has also increased from \$702,734.00 to \$878,260.00, notwithstanding the withdrawal of the four dollar bills, through the operation of the Statute of 1880, which took effect in July of last year.

The increased means thus placed at the disposal of the Directors, have been carefully used and the larger profit of

this year has not been earned on a speculative, but, as they believe, on a sure basis.

The City of Sherbrooke has shown great activity in trade. Its mills and factories have been in successful operation, giving employment at good wages to a large number of operatives. In the immediate neighborhood the copper mines at Capelton, and the opening of new mines in various directions—iron, silver and asbestos—have shown the value of the mineral deposits of this section of country. The lumber trade has also been lively and productive, and the farmers obtained a good value for their harvest of last year. The completion and extension of some of the railways which make Sherbrooke their centre, have added to the development of trade. In Coaticook the success of the cotton and other industries have told favourably on the resources of the town and surrounding country, and in every section of the townships a life and activity have been manifested, showing present prosperity and a hopeful sign for the future.

It is however during times of prosperity that watchfulness and care in the administration of Banking affairs are peculiarly needed, and the Directors hope that their successors in office may continue to exercise caution while evincing a proper desire to aid legitimate trade.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1882.

Balance at credit of Profit & Loss carried forward from 15th May, 1881.....		\$1,726.20
Profit of Head Office and Branches, after deducting charges of Management, interest due Depositors, and providing for bad and doubtful debts.....		149,095.68
DEDUCT—		\$150,821.88
Dividend of 3½ per cent., paid January 2nd, 1882.....	\$48,747.35	
Dividend of 3½ per cent., payable July 3rd, 1882.....	48,832.00	
Transferred to Reserve Fund.....	50,000.00	
		147,579.35
Balance of Profit and Loss carried forward..		<u>\$3,242.53</u>

The whole respectfully submitted.

R. W. HENEKER, President.

After reading the Report, the President addressed the Shareholders, explaining more fully the various items of the Statement, and remarking upon the general prosperity of the country. He was of the opinion that business generally was on a safe, sound basis, but if it was to continue so, great care and watchfulness must be exercised, credits must be closely scrutinized, extravagance of all kinds avoided. He closed by moving that the Report be received and adopted. Mr. A. A. Adams seconded the motion, and after remarks by Mr. J. B. Paddon, Hon. J. G. Robertson, and others, the motion was unanimously passed.

A vote of thanks was then passed to the President and Directors, and also to the General Manager, Managers, and other Officers for their attention and services during the past year.

The ballot was then taken for election of Directors, which resulted in the re-election of the old Board, viz : R. W. Heneker, A. A. Adams, G. K. Foster, J. H. Pope, G. G. Stevens, M. H. Cochrane, T. S. Morey, John Thornton and J. N. Galer.

There being no further business before the meeting, Mr. J. B. Paddon was requested to take the chair, when a vote of thanks was passed to Col. King for his able conduct as Chairman.

CHAS. KING,
Chairman.

At the meeting of the new Board, R. W. Heneker and A. A. Adams were re-elected President and Vice-President respectively.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,399,739.85

RESERVE, FUND - - - - \$ 350,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

A. A. ADAMS, ESQ., - VICE-PRESIDENT.

HON. M. H. COCHRANE, G. K. FOSTER, ESQ.,

J. N. GALER, ESQ. HON. J. H. POPE,

HON. G. G. STEVENS, T. S. MOREY, ESQ.

JOHN THORNTON, ESQ.

WM. FARWELL, - GENERAL MANAGER

1883

BRANCHES.

QUEBEC :

COATICOOK	B. AUSTIN	Manager
COWANSVILLE	J. MACKINNON	"
FARNHAM	E. N. ROBINSON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
LONDON & COUNTY BANK	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1883.

LIABILITIES

Capital Paid in.....	\$1,399,730.85	
Reserve Fund.....	\$350,000.00	
Profit and Loss Balance.....	14,013.52	
Dividend No. 47 of 3½ per cent. payable 3rd July next.....	48,990.67	
		413,004.19
E. T. Bank Bills in Circulation.....	\$855,011.00	
Dominion Deposits on Demand.....	55,788.64	
Dominion Deposits after Notice.....	50,000.00	
Provincial Deposits on Demand.....	17,127.66	
Other Deposits on Demand.....	388,630.24	
Other Deposits after Notice.....	1,766,115.64	
Dividends unclaimed.....	1,856.50	
Due other Banks in Canada.....	26,957.32	
Due Banks not in Canada.....	1,364.21	
Due Banks in United Kingdom.....	22,279.86	
Other Liabilities.....	635.70	
		3,185,766.77
		<u>\$4,998,510.81</u>

ASSETS

Specie.....	\$100,787.61	
Dominion Notes.....	96,668.00	
Bills and Cheques on other Banks.....	18,628.31	
Due from other Banks in Canada.....	261,933.78	
Due from other Banks not in Canada...	156,354.75	
		634,372.45
Bank Premises and Furniture.....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	4,095,019.97	
Other Assets.....	25,173.48	
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate.	123,781.38	
Notes and Bills Overdue and other Over- due Debts, not specially secured.....	20,163.53	
		4,364,138.36
		<u>\$4,998,510.81</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-FOURTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 6TH, 1883.

The twenty-fourth Annual General Meeting of the Shareholders of this Bank, was held at their Banking House in the City of Sherbrooke, on Wednesday, 6th June, inst., only a small number of Shareholders being present.

The meeting was organized by the election of Austin T. Foster, Esq., as Chairman, and Wm. Farwell, the General Manager, as Secretary. Col. H. N. Kippin, and Major I. Wood, were elected Scrutineers of Votes. Minutes of last Annual Meeting having been read and confirmed, R. W. Heneker, Esq., President of the Bank, submitted the following

REPORT :

The Directors, in again rendering to the Stockholders an account of their stewardship, have the pleasure to congratulate them on the satisfactory state of their affairs.

The balance of profit brought forward from the preceding year was \$3,242.53, to which has been added during the year a net profit, after providing for salaries, office expenses, interest to depositors, and bad and doubtful debts, \$188,751.15.

As compared with the previous year the account shows the satisfactory increase of \$39,655.47, but the history of the past prevents the Directors from being over sanguine at such a result. In banking so much depends on the working

of the institution, consideration being demanded on the one hand as to the rate at which money can be loaned, and the demand for money ; and on the other, on the resources of the Bank through its circulation and deposits apart from its capital, that fluctuations in results must always be looked for. Such fluctuations are sometimes indeed useful, as they tend to draw out the energies of Directors and the regular Bank staff. It is always wise during times of prosperity to provide for the day of diminished gains, and even against loss. The history of all human affairs, not of banking in Canada only, shows clearly enough that a period of activity will be followed by a period of depression, that years of plenty will be succeeded by scarcity. Acting on this principle the Directors have thought it prudent to follow the example of the most successful Banking Institutions of the country in determining rather to strengthen their reserves by increasing the rest than to pay heavy dividends.

On the 2nd January last a dividend of $3\frac{1}{2}$ per cent. was paid, and at their meeting, yesterday the Directors declared a like dividend of $3\frac{1}{2}$ per cent., payable on the 3rd July, which two dividends absorbing \$97,980.16, leave the balance of \$94,013.52. Of this \$80,000.00 has been carried to the Reserve Fund, making this fund \$350,000.00, and leaving \$14,013.52 at the credit of Profit and Loss.

The Head Office and the several Branches have been carefully inspected during the year, and the work has been found very satisfactory.

The volume of business has greatly increased all over the Townships, and the wealth of the country may be judged of by the fact that the total deposits on the 15th May last when the books were closed amounted to \$2,154,745.88, of which \$1,766,115.64 were on interest. Compare this with some ten years ago, when the total deposits were under half a million dollars, and the advance in wealth will seem surprising. The above amount does not of course include Government deposits of any kind.

Signs are not wanting however that the great prosperity which the country has enjoyed for some time past has already received a check. Complaints are heard that trade is dull at the great centres, and that manufacturers' stocks of merchandise are accumulating on their hands. No doubt precautions are necessary, lest the impetus given by the building of railways and an unusually large immigration may induce an undue importation and expansion of trade. But the Directors believe that if Canada should be favoured with a fair harvest, (which despite the ungenial weather of the last month we may yet see) and that ordinary common sense be displayed by the people, coupled with economy of living and abstention from wild speculation, there is no immediate prospect of the recurrence of a panic or hard times.

No doubt in these days of rapid intercourse of nations by the telegraph and competition in trade, the whole world is drawn closer together than formerly, and disaster in one country affects more or less every place into which trade ramifies. But as a whole the world is at peace, the disturbing elements of society are less rampant than they were, and there seems no immediate prospect of serious trouble.

With these few general remarks the Directors submit the Statement of Profit and Loss, and the Balance Sheet of the Bank at the 15th May last.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1883

Balance at credit of Profit and Loss carried forward from 15th May, 1882.....	\$3,242.53
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors and providing for bad and doubtful debts.....	188,751.15
DEDUCT—	191,993.68
Dividend of 3½ per cent. paid Jan. 2nd, 1883	\$48,989.49
Dividend of 3½ per cent. payable July 3rd, 1883	48,990.67
Transferred to Reserve Fund.....	80,000.00
Balance of Profit and Loss carried forward	<u>14,013.52</u>

Signed on behalf of the Directors.

R. W. HENEKER,
President.

After concluding the Report, Mr. Heneker addressed the meeting at some length, and moved that the Report be received and adopted. The motion was seconded by A. A. Adams, Esq., and carried unanimously.

The usual votes of thanks to the President and Directors and to the General Manager, Managers and other officers were then passed, after which the Election of Directors was proceeded with, and after all the Ballots had been received, the Scrutineers reported the following Shareholders duly elected, viz : R. W. Heneker, Esq., A. A. Adams, Esq., G. K. Foster, Esq., Hon. J. H. Pope, Hon. G. G. Stevens, Hon. M. H. Cochrane, T. S. Morey, Esq., John Thornton, Esq., and J. N. Galer, Esq., being the old Board.

There being no further business before the meeting, Major Wood was requested so take the Chair, when a vote of thanks was passed to Mr. Foster for his able conduct as Chairman of the Meeting.

AUSTIN T. FOSTER,
Chairman.

At a Meeting of the New Board, R. W. Heneker, was re-elected President, and A. A. Adams, Vice-President.



W. L. Ball



B. Austin



H. F. Williams



S. Stevens

Officers who have been in the service twenty-five years and over.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$1,500,000.00
CAPITAL PAID UP, - - -	\$1,449,067.51
RESERVE FUND, - - -	\$ 375,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - PRESIDENT.

A. A. ADAMS, ESQ. - - VICE-PRESIDENT.

HON. M. H. COCHRANE HON. J. H. POPE,

J. N. GALER, ESQ. HON. G. G. STEVENS,

T. S. MOREY, ESQ. JOHN THORNTON, ESQ.

THOS. HART, ESQ.

WILLIAM FARWELL, - GENERAL MANAGER

1884.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
FARNHAM	E. N. ROBINSON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1884.

LIABILITIES

Capital Paid in.....	\$1,449,067.51	
Reserve Fund.....	\$375,000.00	
Reserved Interest.....	5,450.00	
Profit and Loss Balance.....	5,205.74	
Dividend No. 49 of 3½ per cent. payable 2nd July next.....	50,708.62	
		436,364.36
E. T. Bank Bills in Circulation..	\$762,900.00	
Dominion Deposits on Demand	59,011.41	
Dominion Deposits after Notice.....	50,000.00	
Provincial Deposits on Demand.....	19,209.18	
Provincial Deposits after Notice.....	100,000.00	
Other Deposits on Demand.....	388,082.48	
Other Deposits after Notice.....	1,669,786.64	
Dividends unclaimed.....	2,830.96	
Due other Banks in Canada.....	28,706.63	
		3,080,527.30
		<u>\$4,965,959.17</u>

ASSETS

Specie.....	\$108,748.92	
Dominion Notes.....	89,490.00	
Bills and Cheques on other Banks.....	18,783.46	
Due from other Banks in Canada.....	296,466.02	
Due from other Banks not in Canada..	102,171.12	
Due from other Banks, secured.....	50,000.00	
		665,659.52
Bank Premises and Furniture.....	\$101,700.00	
Current Loans, Discounts and Advances to the Public.....	3,878,547.35	
Other Assets.....	20,176.80	
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate.	149,064.38	
Notes and Bills Overdue and other Over- due Debts, not specially secured (all estimated loss provided for).....	150,811.12	
		4,300,299.65
		<u>\$4,965,959.17</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-FIFTH ANNUAL

MEETING OF THE SHAREHOLDERS HELD

ON JUNE 4TH, 1884.

The twenty-fifth Annual General Meeting of the Shareholders of this Institution was held at the Head Office of the Bank, on Wednesday, 4th day of June inst., about twenty-five Shareholders being present.

Notice of meeting having been read, on motion of Major I. Wood, seconded by J. B. Paddon, Esq., the President, R. W. Heneker, Esq., was elected Chairman.

The General Manager, Wm. Farwell, was elected Secretary.

Major I. Wood and Geo. H. Pierce, Esq., were elected Scrutineers of Votes.

Minutes of last Annual Meeting were read and confirmed, after which the President submitted the following

REPORT :

The Directors have the pleasure to lay before the Stock-

holders the Balance Sheet and the Profit and Loss Statement of the Bank on the 15th May last.

They regret to have to announce that although the ordinary business of the year has been good and profitable, despite a period of continuous dulness in trade, yet losses have occurred in two accounts of magnitude which have lessened the amount which they hoped to carry to the credit of the Reserve Fund. Notwithstanding, however, these losses, they have been able to add \$25,000.00 to the Fund, bringing it up to \$375,000.00, after providing for the $3\frac{1}{2}$ per cent. dividend declared by the Board, at its sitting of yesterday, payable on the 2nd of July next.

Through the failure of the Exchange Bank, Montreal, the opportunity was given of acquiring the Bedford Branch of that institution. A few years ago an application was made to the Bank to take over this Branch, but the Exchange Bank at that time arranged their difficulties, and retained the Branch. The question, therefore was no new one, and the Directors felt that this was a legitimate extension of the business, covering a portion of the territory which it was the primary object of the founders to provide with Banking facilities.

The whole of the Branches, as well as the Head Office, have been carefully inspected during the year, and the business generally has been kept well in hand.

In conclusion, the Directors desire to express their deep regret and sorrow at the loss by death of their colleague Mr. George King Foster, who had served on the Board from the formation of the Bank. Mr. Foster, was ripe in years and always ready to forward in every way the interests of the Bank. He was not only the largest stockholder, but generally the largest depositor. The Directors feel sure that the stockholders will share with them in their regret at his loss.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1884

Balance at credit of Profit and Loss carried forward from 15th May, 1883.....		\$14,013.52
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, and providing for bad and doubtful debts.....		117,549.35
DEDUCT—		<u>131,562.87</u>
Dividend of 3½ per cent., paid January 2nd, 1884.....	\$50,648.51	
Dividend of 3½ per cent., payable July 2nd, 1884.....	50,708.62	
Transferred to Reserve Fund.....	<u>25,000.00</u>	126,357.13
Balance of Profit and Loss carried forward		<u>\$5,205.74</u>

Respectfully submitted on behalf of the Directors.

R. W. HENEKER, President.

On closing, the President moved, seconded by Vice-President Adams, that the Report of the Directors as then read be adopted and printed for distribution. He then entered more fully into details of the business of the Bank, referred to the careful audit made at the Head Office, and the inspection of the Branches. Explained the nature of the exceptional losses of the year, the purchase of the Bedford Branch, etc., and entered into a general review of the business of the country, more especially of the Eastern Townships, referring to the important Railway interests of the Townships, present and prospective, and the importance of Sherbrooke as being the centre of so many roads, making it a desirable point for manufacturing establishments. In closing, he passed a high encomium on the Officers of the Bank for their zeal, energy and good conduct, referring to the grave responsibilities, not only entailed upon, but *felt* by the Directors in the discharge of their duties.

Further enquiries in regard to various accounts and remarks regarding the position of the Bank were made by Messrs. J. B. Paddon, Geo. H. Pierce, D. A. Mansur, Rev. A. C. Scarth, Hon. M. H. Cochrane and others, all of which were satisfactorily answered.

The General Manager having been called upon, expressed his regret at not having been able to show as good results

as at the meeting of 1883. He felt, however, that the position of the Bank was (as he believed the Shareholders regarded it) a very satisfactory one. At the sixty-sixth annual meeting of the Bank of Montreal, held on Monday last, it was a matter of congratulation that they had been able at that meeting to report a sufficient addition to bring their Reserve Fund up to 50 per cent. of their Capital. This was the twenty-fifth annual meeting of the E. T. Bank, and they were able to show a Reserve Fund of 25 per cent., besides having paid regular semi-annual Dividends exceeding an average of over 7 per cent.

The Capital and Reserve Fund now exceeded \$1,800,000 which was an abundant guarantee to depositors of the safety of their money, as depositors could not lose a farthing until the whole of this amount was swept away, he heartily concurred so far as it related to the Managers and Officers under him, in what had been said by the President respecting the staff, no Bank had Officers of greater integrity or that showed more zeal and industry in promoting the prosperity of the Bank.

The usual votes of thanks to the President and Directors also to the General Manager, Managers and other Officers of the Bank, were then unanimously passed, after which the Election of Directors was proceeded with. All the votes having been cast, the Scrutineers reported the following Shareholders having received the majority of votes, and were duly elected for the ensuing year, viz : R. W. Heneker, A. A. Adams, J. H. Pope, G. G. Stevens, M. H. Cochrane, T. S. Morey, John Thornton, J. N. Galer, and Thomas Hart, being the old Board with the addition of Mr. Hart in place of G. K. Foster, deceased.

R. W. HENEKER,

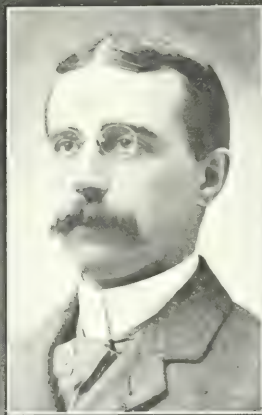
Chairman.

The meeting then adjourned.

At the meeting of the new Board, held same day, R. W. Heneker, Esq., was re-elected President, and A. A. Adams, Vice-President.



Wm. Spier



W. H. Hargrave



Neil Dinning



J. W. McLoughlin

Officers who have been in the service twenty-five years and over

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	-	\$1,449,488.70
RESERVE, FUND	-	-	-	\$ 375,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. G. G. STEVENS, - VICE-PRESIDENT.

HON. J. H. POPE, HON. M. H. COCHRANE,

T. S. MOREY, ESQ. J. N. GALER, ESQ.

JOHN THORNTON, ESQ. THOMAS HART, ESQ.

DAVID A MANSUR, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN,	"
COWANSVILLE	J. MACKINNON	"
FARNHAM	E. N. ROBINSON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1885.

LIABILITIES.

Capital Paid in.....		\$1,449,488.70
Reserve Fund.....	\$375,000.00	
Reserved Interest.....	1,135.00	
Profit and Loss Balance.....	4,093.41	
Dividend No. 51 of 3½ per cent., payable 2nd July next.....	50,727.88	
		<u>430,956.29</u>
E. T. Bank Bills in Circulation.....	\$700,056.00	
Dominion Deposits on Demand.....	38,801.83	
Provincial Deposits on Demand.....	31,529.95	
Provincial Deposits after Notice.....	100,000.00	
Other Deposits on demand.....	355,091.73	
“ “ after notice.....	1,534,946.44	
Dividends unclaimed.....	3,724.30	
Due other Banks in Canada.....	33,066.25	
Due Banks in United Kingdom.....	6,953.57	
		<u>2,804,170.07</u>
		<u>\$4,684,615.06</u>

ASSETS.

Specie.....	\$110,384.67	
Dominion Notes.....	81,039.00	
Bills and Cheques on other Banks.....	25,983.86	
Due from other Banks in Canada.....	180,323.89	
Due from other Banks not in Canada...	249,036.29	
Due from other Banks, secured.....	33,500.82	
		<u>680,268.53</u>
Bank Premises and Furniture.....	\$101,700.33	
Current Loans, Discounts and Advances to the Public.....	3,662,886.00	
Other Assets.....	10,485.51	
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate.	155,470.03	
Notes and Bills Overdue and other Over- due Debts, not specially secured (all estimated loss provided for).....	73,804.66	
		<u>4,004,346.53</u>
		<u>\$4,684,615.06</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-SIXTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 3RD, 1885.

The twenty-sixth Annual General Meeting of the Shareholders of this Institution was held at the Head Office of the Bank on Wednesday, 3rd day of June instant, a fair number of Shareholders being present, including Rev. C. P. Reid, J. B. Paddon, R. W. Heneker, Capt. F. Bennetts, T. S. Morey, J. N. Galer, C. H. Kathan, M. F. Hackett, Geo. H. Pierce, H. Joslyn, John G. Foster, A. A. Adams, A. T. Foster, Hon. G. G. Stevens, Hon. M. H. Cochrane, Henry Lovell, Hiram McLellan, J. T. A. McLellan, Geo. Porter, Thomas Hart, John Thornton, Henry S. Taylor.

Notice of meeting having been read, on motion of J. B. Paddon, Esq., seconded by Capt. F. Bennetts, the President, R. W. Heneker, Esq., was elected Chairman.

The General Manager, Wm. Farwell, was elected Secretary.

Messrs. Geo. H. Pierce and John G. Foster, were elected Scrutineers of Votes

Minutes of last Annual Meeting were read and confirmed, after which the President submitted the following

REPORT :

In again meeting the Shareholders at the close of another financial year, the Directors regret to have to report that the business of the past year has not been so profitable as usual.

The Balance Sheet and Profit and Loss Statement herewith presented shew the condition of the Bank at that date—and the result obtained.

Many circumstances have operated to affect the welfare of the Bank, amongst which the following may be enumerated :

The dulness of trade noticed in last year's Report steadily continued, notwithstanding the fine harvest with which the country was blessed, and which it was hoped would stimulate business and make trade more active.

At the same time the resources of the Bank for making money have been circumscribed, owing to the falling off in the circulation—and the withdrawal of a considerable amount of interest deposits. These caused a decrease in available funds of \$268,563.00, and a consequent corresponding decrease in loans of \$215,661.00.

In the adverse circumstances thus mentioned the Directors felt that a careful, cautious policy was the only wise one, and they took measures to increase their reserves. But this step—as it seemed to them so necessary—again told against profits, as money was so cheap in Montreal and the United States that where funds were placed at call with other Banks the rate was almost nil.

These explanations will enable the Shareholders to understand some of the causes of the lessened profits of the year.

The Directors have also to report some considerable losses arising from failures in the City of Sherbrooke wholly unexpected, and the extent of which are not fully gauged. The merchants of Sherbrooke have for many years stood remarkably well, and the Directors regret these failures the more, lest the City should endanger its good name.

The Mills in Sherbrooke have in some cases been in part closed during the past year, and in part run on short time, but the Directors are glad to find that they are again fully at work and apparently doing well.

The Agricultural interests—the main staple of the country—are on the whole sound, although low prices have of late prevailed for cattle ; and other industries, although not “booming,” are still fairly active. The outlook is certainly more encouraging than last year, although the necessity for caution in business still continues.

The only matter left to be touched upon is the resignation, or rather the withdrawal of the Vice-President, Mr. A. A. Adams, who does not seek re-election on the Board. The Directors feel assured that this will be received with great regret by many of the older Shareholders of the Bank, who bear in mind Mr. Adams' long services and his zeal and devotion to the interests of the Bank.

The Directors at their meeting yesterday declared the usual semi-annual dividend of $3\frac{1}{2}$ per cent.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1885.

Balance at credit of Profit & Loss carried forward from 15th May, 1884.....	\$5,205.74
Profit of Head Office and Branches, after deducting charges of Management, interest due Depositors, and providing for bad and doubtful debts.....	100,341.62
DEDUCT—	\$105,547.36
Dividend of $3\frac{1}{2}$ per cent., paid January 2nd, 1885.....	\$50,726.07
Dividend of $3\frac{1}{2}$ per cent., payable July 2nd, 1885.....	50,727.88
	101,453.95
Balance of Profit and Loss carried forward..	<u>\$4,093.41</u>

The whole respectfully submitted on behalf of the Directors.

R. W. HENEKER,
President.

Mr. Heneker moved, seconded by Mr. A. A. Adams, that the Report of the Directors be received and adopted, and entered into more full explanations in regard to the

various accounts and the system of audit of the Bank, speaking hopefully in regard to the future, but advising caution and economy.

After remarks by Messrs. J. B. Paddon, Austin T. Foster, Hon. M. H. Cochrane, and others, the Report was unanimously adopted.

Moved by A. T. Foster, seconded by Rev. C. P. Reid, —That the Shareholders of the Bank present here this day cannot permit the signification of the Vice-President of the Bank—Mr. A. A. Adams—that he is not desirous of seeking re-election to the Board, to pass without expressing their high appreciation of the character and services of that gentleman, and of his zeal and devotion to the interests of the Bank since its foundation, 26 years ago. In his retirement he will carry with him the friendship and esteem—not of those only with whom he has been associated—but of the whole community who have known and appreciated his character. The Shareholders here present trust that he may long live to enjoy the rest from that anxiety which of necessity attaches to the office he was so well fitted to fill. Carried unanimously.

The usual votes of thanks were then passed to the President and Directors, also to the General Manager, Managers and other Officers of the Bank, after which the vote was taken for election of Directors, the following gentlemen being elected, viz: R. W. Heneker, G. G. Stevens, J. H. Pope, M. H. Cochrane, T. S. Morey, J. N. Galer, John Thornton, Thomas Hart, D. A. Mansur, being the old Board, substituting Mr. Mansur in place of Mr. Adams, retiring.

The thanks of the meeting were then tendered the Scrutineers and the Chairman, after which the meeting adjourned.

R. W. HENEKER,

Chairman.

At the meeting of the new Board, R. W. Heneker, was re-elected President and Hon. G. G. Stevens, Vice-President.



E. W. Morgan



R. P. Buzzell



A. G. Campbell



E. W. Farwell

Officers who have been in the service twenty-five years and over.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,449,488.70
RESERVE FUND,	-	-	- \$ 375,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. G. G. STEVENS, - VICE-PRESIDENT.

HON. J. H. POPE HON. M. H. COCHRANE

J. N. GALER, ESQ. JOHN THORNTON, ESQ.

THOMAS HART, ESQ. DAVID A. MANSUR, ESQ.

ISRAEL WOOD, ESQ.

WM. FARWELL, - GENERAL MANAGER

1886.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
FARNHAM	E. N. ROBINSON	"
GRANBY	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1886.

LIABILITIES

Capital Paid in.....	\$1,449,488.70	
Reserve Fund.....	\$375,000.00	
Profit Balance.....	11,860.10	
Dividend No. 53 of 3½ per cent., payable 2nd July, 1886.....	50,732.01	
		437,592.11
E. T. Bank Bills in Circulation.....	\$694,869.00	
Dominion Deposits on Demand	49,319.01	
Provincial Deposits on Demand....	30,958.06	
Other Deposits on Demand	305,979.87	
Other Deposits after notice.....	1,481,019.88	
Dividends unclaimed.....	2,156.43	
Due other Banks in Canada.....	26,423.45	
Due other Banks in the United Kingdom	11,327.72	
Other Liabilities	4,693.51	
		2,606,746.93
		<u>\$4,493,827.74</u>

ASSETS

Specie.....	\$108,165.41	
Dominion Notes.....	95,411.00	
Bills and Cheques on other Banks.....	34,884.66	
Due from other Banks in Canada.....	123,682.11	
Due from other Banks not in Canada...	122,646.46	
Due from other Banks, secured	28,424.16	
		513,213.80
Bank Premises and Furniture.....	\$101,700.00	
Current Loans to Public.....	3,674,323.44	
Dominion Government Debentures....	13,000.00	
Other Assets.....	9,877.17	
Overdue Notes Secured.....	153,267.09	
Overdue Notes Unsecured	28,446.24	
		3,980,613.94
		<u>\$4,493,827.74</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-SEVENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1886.

The twenty-seventh Annual General Meeting of the Shareholders of this Institution was held at the Head Office of the Bank on Wednesday, the second day of June instant. Among others being present the following : R. W. Heneker, M. H. Cochrane, Miles Williams, J. N. Galer, G. G. Stevens, Thomas Hart, Rev. A. C. Scarth, M. Read, Geo. H. Pierce, Israel Wood, E. Chapman, Col. Kippen and Dr. Austin.

The General Manager having read the published Notice calling the Meeting, it was,

Moved by Rev. A. C. Scarth, seconded by Maj. I. Wood, that the President, R. W. Heneker, be elected Chairman of the Meeting ; carried unanimously.

Wm. Farwell, the General Manager, was elected Secretary of the Meeting.

On motion of John Thornton, seconded by Thos. Hart, Rev. A. C. Scarth and Dr. Austin, were elected Scrutineers of Votes.

The Secretary then read the minutes of last Annual Meeting which were confirmed.

The President then on behalf of the Directors submitted their Annual Report as follows :

REPORT :

The Directors have the pleasure to lay before the Shareholders the Balance Sheet at the 15th May last, and the Profit and Loss Statement of the past year.

The affairs of the Bank continue to prosper, although marked with that quiet character due to the peculiar nature of the times.

The net profit has been nearly \$9,000.00 in excess, and the balance of profit carried forward is nearly \$8,000.00 in excess of last year.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1886

Balance May 15th, 1885	\$4,093.41
Profit for year after deducting all charges..	109,230.71
	<u>\$113,324.12</u>
Deduct Dividends 51 and 52.....	101,464.02
Balance.....	<u>\$11,860.10</u>

This must be taken to be a not unsatisfactory result, considering the difficulty of placing money as compared with even moderate rates in former times. It is during such times as have lately prevailed that caution in Banking is needed, lest the desire to pay large dividends and build up a large reserve should cause risks to be run, which in ordinary prosperous years would be avoided.

The Accounts have been carefully audited and closely scrutinized, and the Securities examined, and the Directors feel that the Bank is in a sound financial condition.

The Shareholders must have heard with sorrow of the unexpected decease of the late Mr. T. S. Morey.

The Directors have lost in him a faithful colleague, and the Shareholders a man zealous at all times for the interests of the Bank, and able, by his being out of business, to devote a great deal of time to its affairs. In a service of many years he proved himself a wise counsellor, and a courteous gentleman.

The Directors at their meeting yesterday declared a dividend of $3\frac{1}{2}$ per cent. for past half year.

The whole respectfully submitted on behalf of the Directors.

R. W. HENEKER,
President.

The President then addressed the meeting at some length, comparing the position of the Bank with previous years. He referred to the difficulty in placing loans, the low rate of interest, the reduction in rate allowed by the Bank on deposits to three per cent. and also to the various accounts. In closing he referred in a feeling manner to the loss the Bank had sustained in the death of his late Co-Director, Mr. Thos. S. Morey ; he then moved that the Report of the Directors be received and adopted, which motion was seconded by Hon. G. G. Stevens. The General Manager having given explanations in regard to some items of the Statement and remarks having been made by Mr. G. H. Pierce, of Richmond, Miles Williams of Montreal, and others, the motion was unanimously adopted.

On motion by Rev. A. C. Scarth, seconded by Major I. Wood ; It was unanimously **RESOLVED**

That the Shareholders of the Eastern Townships Bank here present in annual meeting assembled, join with the Directors in the expression of sorrow at the unexpected death of the late Mr. Thos. S. Morey, who for many years, in the position of a Director of this Institution, acted with zeal and devotion for the interests of the Shareholders.

They desire at the same time to express their sense of Mr. Morey's uniform courtesy and kindness of heart and they warmly sympathize with the members of the family in their sad affliction ; a copy of the foregoing to be forwarded to Mrs. Morey—

On motion by Col. Kippen, seconded by Miles Williams, it was unanimously **RESOLVED**

That the thanks of the Shareholders are due and are hereby tendered the President and Directors, for their attention to the interests of the Bank during past year.

On motion by Major I. Wood, seconded by Rev. A. C. Scarth, it was unanimously **RESOLVED**

That the thanks of the Shareholders are due and are hereby tendered to the General Manager, the Managers and

other Officers of the Bank for their fidelity and zeal in the interests of the Bank during the past year.

The election of Directors was then proceeded with and when all the Votes had been cast the Scrutineers reported the following named Shareholders, duly elected to serve for ensuing year, viz :

Richard W. Heneker, Gardner G. Stevens, John Henry Pope, John Thornton. J. N. Galer, M. H. Cochrane, D. A. Mansur, Thos. Hart and Israel Wood.

There being no further business before the meeting, a vote of thanks was passed to the Scrutineers and also to the Chairman, after which the meeting adjourned.

R. W. HENEKER,

President.

At a meeting of the Directors immediately held, Mr. R.W. Heneker, was elected President and Mr. G. G. Stevens, Vice-President for the ensuing year.



J. Hetherington



E. L. Sleeper



A. S. Rambach

Officers who have been in the service twenty-five years and over

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,456,136.30

RESERVE FUND, - - - \$ 425,000.00

DIRECTORS.

RICHARD W. HENEKER, ESQ., - PRESIDENT.

HON. G. G. STEVENS, . - - VICE-PRESIDENT.

HON. J. H. POPE, HON. M. H. COCHRANE

J. N. GALER, ESQ. JOHN THORNTON, ESQ.

THOS. HART, ESQ. DAVID A. MANSUR, ESQ.

ISRAEL WOOD, ESQ.

WILLIAM FARWELL, - GENERAL MANAGER

1887.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN,	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK	PORTLAND, MAINE
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 14th, 1887.

LIABILITIES

Capital Paid in.....		\$1,456,136.30
Reserve Fund.....	\$425,000.00	
Profit and Loss Balance.....	5,616.08	
Dividend No. 55 of 3½ per cent., payable 2nd July next.....	50,952.35	
		<u>481,568.43</u>
E. T. Bank Bills in Circulation.....	\$722,137.00	
Dominion Deposits on Demand.....	25,973.75	
Provincial Deposits on Demand.....	22,391.20	
Other Deposits on Demand.....	329,888.81	
Other Deposits after notice.....	1,626,797.72	
Dividends unclaimed.....	2,118.35	
Due other Banks in Canada.....	36,793.71	
Due other Banks in the United Kingdom	47,622.30	
		<u>2,813,722.84</u>

ASSETS

		<u>\$4,751,427.57</u>
Specie.....	\$113,855.43	
Dominion Notes.....	89,150.00	
Bills and Cheques on other Banks.....	24,856.90	
Due from other Banks in Canada.....	259,412.40	
Due from other Banks not in Canada...	274,808.67	
Due from other Banks, secured.....	28,424.16	
		<u>790,507.56</u>
Bank Premises and Furniture.....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	3,692,812.32	
Dominion Government Debentures.....	13,000.00	
Other Assets.....	7,715.48	
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate	137,024.72	
Notes and Bills Overdue and other Over- due Debts, not specially secured (all estimated loss provided for).....	10,367.49	
		<u>3,960,920.01</u>
		<u>\$4,751,427.57</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-EIGHTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1st, 1887.

The Annual General Meeting of the Shareholders was held at the Head Office of the Bank on Wednesday, 1st day of June inst., only a small number of shareholders being present.

The General Manager having read the notice of the meeting, on motion of Rev. A. C. Scarth, seconded by Thos. Hart, the President, R. W. Heneker, was elected Chairman.

The General Manager was elected Secretary of the meeting, and Rev. A. C. Scarth and Geo. H. Pierce, were elected Scrutineers of votes.

The minutes of the last meeting having been read, were confirmed, after which the President, on behalf of the Directors, presented the following

REPORT

The Directors have the pleasure to submit to the Shareholders the Balance Sheet of the Bank at the close of the financial year, the 15th May, together with a statement of Profit and Loss showing the results of the operations for the year.

The net profit—after deducting expenses of management, and providing for all bad and doubtful debts—has been \$147,685.23, as against, for the previous year, \$109,230.71. If the balance of profit from the year 1886 be

added to the above sum (\$11,860.10), it will be found that there was a total available profit for the year of \$159,545.33.

This has been applied as follows —

The usual half-yearly Dividend of $3\frac{1}{2}$ per cent was paid on the 3rd January last, which absorbed.....	\$50,876.90
And the Directors at their meeting yesterday declared another half-yearly Dividend of $3\frac{1}{2}$ per cent, payable on the 2nd July next, which will require.....	50,952.35
Making together in dividends.....	<u>\$101,829.25</u>

This leaves \$57,716.08 unappropriated. The Directors have out of this applied :

To the Reserve Fund.....	\$50,000.00
In reduction of Bank Premises and Furniture Account.....	2,100.00
Amount carried forward.....	5,616.08
	<u>\$57,716.08</u>

The Reserve Fund thus augmented now stands at \$425,000, or over 29 per cent of the capital ; and the Directors congratulate the shareholders on their being able to again add to this Fund. The shareholders fully understand how greatly a provision of this kind adds to the strength of the Bank, securing to the investor the maintenance of a steady dividend.

The Branches have been as usual carefully inspected, and the books and accounts, the securities and other affairs of the Head Office have been carefully examined and audited.

The question of keeping open the Branch at West Farnham has been long under consideration. After a fair trial it has been found that the volume of business is too small, and the Branch must be closed. The Directors regret this, as the Bank has many friends in the place and neighborhood, but they hope to accommodate the greater part of them at their other Branches nearby.

At the same time they have been induced to entertain

favorably the request of the business community of Huntingdon, a village and Township comprising men of enterprise and activity, in the midst of a fertile country, but not at present provided with Banking facilities through an incorporated Bank. They believe that in time a good profitable business may be developed, mutually satisfactory to the people of the district and to the shareholders of the Eastern Townships Bank.

The closing of the Branch at West Farnham and the opening at Huntingdon will take place at once.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 14TH, 1887.

Balance at Credit of Profit and Loss carried forward from	
15th May, 1886.....	\$11,860.10
Profit of Head Office and Branches, after deduction of	
charges of Management, Interest due Depositors, and	
providing for bad and doubtful debts.....	
	147,685.23
	<hr/>
	159,545.33
DEDUCT:	
Dividend of 3½ per cent, paid January	
3rd, 1887.....	
	\$50,876.90
Dividend of 3½ per cent, payable July	
2nd, 1887.....	
	50,952.35
Carried to Bank Premises and Furniture	
Account.....	
	2,100.00
Carried to Reserve Fund.....	
	<hr/>
	50,000.00
	<hr/>
	153,929.25
Balance of Profit and Loss carried forward.....	
	<hr/>
	\$5,616.08
	<hr/>

The whole respectfully submitted.

R. W. HENEKER,

President.

After reading the Report, the President addressed the meeting at some length, and closed by moving its adoption. This was seconded by Mr. J. B. Paddon, and after remarks by several shareholders, was unanimously carried.

The thanks of the meeting were voted to the President

and Directors, also to the General Manager, Managers and other Officers of the Bank.

The meeting then proceeded to the election of Directors, and after all the votes had been cast, the Scrutineers reported the old Board re-elected, viz : R. W. Heneker, G. G. Stevens, J. H. Pope, M. H. Cochrane, John Thornton, J. N. Galer, D. A. Mansur, Thos. Hart, Israel Wood.

There being no further business the meeting adjourned.

R. W. HENEKER,
President.

At a meeting of the new Board, held same day, R. W. Heneker was re-elected President, and G. G. Stevens, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,468,284.24
RESERVE FUND,	-	-	- \$ 450,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. G. G. STEVENS, - VICE-PRESIDENT.

HON. J. H. POPE HON. M. H. COCHRANE

J. N. GALER, ESQ. THOMAS HART, ESQ.

D. A. MANSUR, ESQ. ISRAEL WOOD, ESQ.

NEWELL W. THOMAS, ESQ.

WM. FARWELL, - GENERAL MANAGER

1888.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1888.

LIABILITIES.

Capital Paid in.....	\$1,468,284.24	
Reserve Fund.....	\$450,000.00	
Profit and Loss Balance.....	4,128.84	
Dividend No. 57 of 3½ per cent., payable 2nd July next.....	51,230.00	
		505,358.84
E. T. Bank Bills in Circulation.....	\$852,089.00	
Dominion Deposits on Demand.....	26,924.37	
Provincial Deposits on Demand.....	16,396.12	
Other Deposits on demand.....	378,924.41	
“ “ after notice.....	1,729,984.20	
Dividends unclaimed.....	2,662.56	
Due other Banks in Canada.....	30,630.07	
Due Banks in United Kingdom.....	12,012.97	
		3,049,623.70
		<u>\$5,023,266.78</u>

ASSETS.

Specie.....	\$130,206.14	
Dominion Notes.....	82,768.00	
Bills and Cheques on other Banks.....	37,335.75	
Due from other Banks in Canada.....	366,842.34	
Due from other Banks not in Canada...	154,072.95	
Due from other Banks, secured.....	28,424.16	
		799,649.34
Bank Premises and Bank Furniture....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	3,964,645.11	
Dominion Government Debentures.....	13,000.00	
Other Assets.....	9,449.13	
Notes and Bills Overdue and other Debts secured by Mortgage and Real Estate.	106,493.48	
Notes and Bills Overdue and other Over- due Debts, not specially secured (all estimated loss provided for).....	30,029.72	
		4,223,617.44
		<u>\$5,023,266.78</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE TWENTY-NINTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 6TH, 1888.

The twenty-ninth Annual General Meeting of the Shareholders of this Bank was held at the Banking House in Sherbrooke, on Wednesday, the 6th June. There was a fair attendance of Stockholders. Among those present were R. W. Heneker, (President) Hon. G. G. Stevens, J. N. Galer, Thomas Hart, Israel Wood, D. A. Mansur, Colonel Kippen, N. W. Thomas, M. Read, John Wadleigh, A. G. Bugbee, W. C. Lyford, W. A. Hale, J. B. Paddon, and others.

The General Manager having read the notice calling the meeting, on motion, the President, R. W. Heneker, Esq., was elected Chairman, and W. Farwell, General Manager, Secretary. It was moved by J. B. Paddon, seconded by M. Read, that Mr. G. H. Pierce and Colonel Kippen, be elected as Scrutineers of Votes.

The Secretary then read the minutes of the last Annual Meeting, which were confirmed.

The President, on behalf of the Board, then submitted the following

REPORT

The Directors of the Eastern Townships Bank beg to submit their report on the affairs of the Bank for the year ending the 15th May last, together with the Balance Sheet and the Profit and Loss Statement, shewing the results of the year's operations.

The profits, including the amount brought forward from the previous year, after deducting the cost of the ordinary charges for management, and the interest due and paid to depositors, amounted to \$139,790.83, all bad and doubtful debts having been provided for.

Besides the ordinary charges above mentioned there has been an exceptional charge of \$8,220.00 being for six years' arrears of the "Provincial Tax on Commercial Corporations," only collected by the Provincial Government last autumn.

A dividend of $3\frac{1}{2}$ per cent. was paid on the 3rd January last, which absorbed \$51,211.99, and a similar dividend was declared by the Directors at their meeting yesterday, payable on the 3rd July next, which will require \$51,230.00.

The sum of \$25,000.00 has been carried to the credit of the Reserve Fund, thus raising that fund to \$450,000.00 and leaving to be carried forward to the credit of Profit and Loss \$4,128.84.

The value of money has continued to rule low during the year, but on the other hand the circulation of the Bank and the deposits have been larger than for some years past. These afford satisfactory evidence that despite the cry occasionally heard of dull times, business in the Eastern Townships has been fairly active, and the savings of the community have increased.

The business of the new Branch at Huntingdon, opened in June of last year, under the management of an able and experienced manager, is growing in volume, and affords satisfactory proof that, in acceding to the wishes of the business men of that thriving district of the Eastern Townships, that a Branch should be opened in their midst, the Directors were not mistaken.

The Bank has suffered a heavy loss recently in the untimely death of the late Mr. John Thornton of Coaticook. He was universally esteemed, of unblemished character, and of great business ability. The Bank has lost in him an able Director, the Directors have lost a valued friend and a

genial colleague. It was within the powers of the Directors to appoint some qualified Shareholder temporarily in his place, but as the time for the Annual Meeting was not very distant, they preferred leaving the appointment open until the proprietors could themselves make a selection in the usual way.

In conclusion, the Directors desire to record their sense of the zeal and good conduct of the whole staff of the Bank.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1888

Balance at credit Profit and Loss carried forward from May 15th, 1887.....		\$5,616.08
Profit of Head Office and Branches, after deducting charges of Management, all Interest due Depositors, and making ample provision for bad and doubtful debts.....		<u>134,174.75</u>
		\$139,790.83
DEDUCT—		
Dividend of $3\frac{1}{2}$ per cent., paid 2nd Jan., 1888.....	\$51,211.99	
Dividend of $3\frac{1}{2}$ per cent., payable 3rd July, 1888	51,230.00	
Provincial Government Tax for six years	8,220.00	
Transferred to Reserve Fund.....	<u>25,000.00</u>	\$135,661.99
Balance carried forward.....		<u><u>\$4,128.84</u></u>

Respectfully submitted on behalf of the Board.

R. W. HENEKER,
President.

The President then addressed the meeting, comparing the position of the Bank to-day with its business in previous years. He congratulated the Shareholders on the fact of the Reserve Fund having reached the handsome sum of \$450,000, and hoped the time was not far distant when it would be increased to \$500,000. He thought the general tone of business in the Townships had been a healthy one, and promised well for the future. He referred to the lum-

ber trade, and the lime industries at present being largely developed in the Township of Dudswell, which he thought would prove a valuable addition to the trade of the country. He spoke of the impetus given to mining during the past few years, and particularly referred to the discovery of Asbestos, which article was now proving such an important factor in practical commerce. We have made great advances in our railway system since the days when the Grand Trunk was first built through this section of the country. In almost every section railways are being constructed and put in active operation, giving our people easy access to markets and every facility for the shipment of the productions of the country. He briefly referred to the manufacturing interests of Sherbrooke and its position as a railway centre, and in closing said he thought the stockholders of the Bank, as well as the people of this part of the country, were to be congratulated on the prosperous state of affairs. He moved the adoption of the Report.

The motion was seconded by Hon. G. G. Stevens. and after some remarks by Messrs. J. B. Paddon, G. H. Pierce, and others, it was unanimously passed.

On motion of Mr. W. A. Hale, seconded by Lt.-Col. Kippen, an amendment to By-Law No. 8 was passed, increasing the annual appropriation for payment of the services of the Directors.

It was moved by D. A. Mansur, seconded by J. N. Galer, that a new By-Law, to be called By-Law No. 11, should be passed, to the effect that any loan or loans to any one party or firm in excess of the sum of \$50,000 should first receive the approval of at least four members of the Board of Directors. Carried.

The usual votes of thanks were then passed to the President and Directors, also to the General Manager and other officers for their attention and zeal in promoting the interests of the Bank.

The ballot was then taken for the election of Directors, which resulted in the election of the following Stockholders: R. W. Heneker, Hon. G. G. Stevens, Hon. J. H. Pope, Hon. M. H. Cochrane, J. N. Galer, Thos. Hart, D. A. Mansur, Israel Wood, Newell W. Thomas.

The thanks of the meeting were then tendered to the Scrutineers and Chairman, after which the meeting adjourned.

R. W. HENEKER,
President.

At the Directors' meeting of the new Board, R. W. Heneker was re-elected President, and the Hon. G. G. Stevens, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	-	\$1,485,881.30
RESERVE, FUND	-	-	-	\$ 500,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. G. G. STEVENS, - VICE-PRESIDENT.

HON. M. H. COCHRANE, J. N. GALER, ESQ.

THOMAS HART, ESQ. D. A. MANSUR, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
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NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1889.

LIABILITIES

Capital Paid in.....		\$1,485,881.30
Reserve Fund.....	\$500,000.00	
Profit and Loss Balance.....	19,145.02	
Dividend No. 59 of 3½ per cent. payable 2nd July next.....	51,955.85	
Dividends unclaimed.....	3,695.06	
		<u>574,795.93</u>
E. T. Bank Bills in Circulation.....	\$770,641.00	
Dominion Deposits on Demand.....	28,775.64	
Provincial Deposits on Demand.....	22,341.75	
Deposits held as security for Dominion Contracts.....	875.00	
Other Deposits on Demand.....	435,082.93	
Other Deposits after Notice.....	1,870,228.53	
Due other Banks in Canada.....	10.40	
Due Banks in the United Kingdom.....	25,839.76	
		<u>3,153,795.01</u>
		<u><u>\$5,214,472.24</u></u>

ASSETS

Specie.....	\$116,659.51	
Dominion Notes.....	91,840.00	
Bills and Cheques on other Banks.....	24,149.55	
Due from other Banks in Canada.....	284,519.70	
Due from other Banks not in Canada...	95,538.43	
Due from other Banks, secured.....	15,834.18	
Dominion Government Debentures.....	13,000.00	
		<u>641,541.37</u>
Bank Premises and Bank Furniture....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	4,309,149.51	
Real Estate, other than Bank Premises..	17,829.63	
Mortgage on Real Estate sold by the Bank	89,797.63	
Loans Overdue, secured.....	39,153.60	
Loans Overdue, unsecured.....	4,449.65	
Other Assets and Items in transitu be- tween offices.....	12,550.85	
		<u>4,572,930.87</u>
		<u><u>\$5,214,472.24</u></u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTIETH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 5TH, 1889.

The thirtieth Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at their Banking House in Sherbrooke, on Wednesday, the 5th June, 1889. There was a fair attendance of Shareholders. Amongst those present were : R. W. Heneker, (President), Hon. G. G. Stevens, (Vice-President), Hon. M. H. Cochrane, Israel Wood, J. N. Galer, Thomas Hart, D. A. Mansur, W. White, N. W. Thomas, Col. Kippen, M. Read, C. H. Kathan, Wm. Francis (of Montreal), Wm. Sutherland, and others.

Notice of meeting having been read, the President took the chair. On motion, Mr. F. C. Thompson, Assistant Accountant of the Bank, was appointed Secretary of the meeting. It was moved by Mr. Read, seconded by Col. Kippen, that Messrs. T. J. Tuck and W. A. Hale be elected Scrutineers of Votes.

The General Manager then read the minutes of the last Annual Meeting, which were confirmed. The President, after making a feeling reference to the death, during the year, of one of the principal shareholders, Mr. J. B. Paddon of Lennoxville, then submitted the following

REPORT

The Directors have much pleasure in submitting their Annual Report to the Shareholders on the affairs of the Bank, at the close of the Financial Year, the 15th May last.

The appended Balance Sheet and Statement of Profit and Loss exhibit the present position of the Bank, as well as the results of the operations of the past year.

The total Profit, including the amount brought forward from the previous year amounted, after deducting charges of management, interest to depositors, and an ample provision for all bad and doubtful debts, to the sum of \$173,936.06. This shows an excess of profit over the previous year of \$34,045.20.

Out of this has been paid the Provincial Tax on capital of the Bank, \$1,430.00, and the Semi-annual dividend in January last of $3\frac{1}{2}$ per cent., amounting to \$51,405.19, leaving available for dividend and other appropriations the net sum of \$121,100.87.

It will be thus seen that the operations of the Bank for the past year have been successful, and the Directors congratulate the Shareholders on this good result. At the same time it must not be forgotten that the business of Banking, like other business is liable to fluctuations, and it may be not uninteresting to the Shareholders to examine the returns of the past ten years, as shown in the following table—from 1880 to 1889 inclusive,—and as exhibiting a broader view of the operations of the Bank, than the result of any one year can afford :—

YEAR	CAPITAL	CIRCULATION	DEPOSITS	PROFIT	RATE OF DIV.	RESERVE FUND
1880	1,382,037.00	496,018	1,287,034	102,874.41	7 per cent.	200,000
1881	1,386,855.00	702,634	1,426,531	131,283.07	"	220,000
1882	1,397,659.00	878,260	1,912,252	150,821.88	"	270,000
1883	1,399,739.00	855,011	2,104,778	191,993.68	"	350,000
1884	1,449,067.00	752,900	2,057,868	131,562.87	"	375,000
1885	1,449,488.00	700,056	1,890,037	105,547.36	"	875,000
1886	1,449,488.00	694,869	1,786,998	113,324.12	"	375,000
1887	1,456,136.00	722,137	1,956,687	159,545.33	"	425,000
1888	1,468,284.00	852,089	2,108,908	139,790.83	"	450,000
1889	1,485,881.30	770,641	2,505,310	173,936.06	"	500,000

The above table shows how varied have been the returns ; and yet throughout the whole period the dividend of seven per cent. has been maintained, in addition to which

the Reserve Fund has been increased from \$200,000.00 to \$500,000.00. If the earnings be classified as interest alone, it will be found that the average for the ten years has exceeded nine per cent. per annum.

The policy of the Directors has been to maintain a steady dividend, and to increase the Reserve Fund from time to time, whenever practicable, as the best means of securing that desirable end. The shares of the Bank are seldom on the Stock Market, the stock being held principally for investment, and this, as it shews confidence in the management, entails a corresponding feeling of responsibility on the Directors. Whilst avoiding as much as possible a speculative business, the Board have always felt it wise to give encouragement to every legitimate enterprise tending to the growth and development of the resources of the country, and many a concern, now doing a large and profitable business, and practically almost independent, has been indebted to the Bank for the generous support afforded to it in its first start. Some concerns also will be willing to acknowledge the benefits derived from the sound and wholesome advice which an experienced banker can at all times give to a customer ; and it should never be forgotten that mutual confidence should always exist between the banker and his customer ; there is no business where the relations of the two parties to the contract are required to be so intimate.

During the thirty years of the Bank's existence there has been a truly marvellous development of the wealth and resources of these Townships, and the Directors of the Eastern Townships Bank feel that a very considerable portion of this development is due to the spirit manifested by this Bank in fostering legitimate enterprise.

In the report of last year the Directors had to mourn the loss of an estimable colleague, the late Mr. John Thornton, of Coaticook. This year they have again to record the loss of another member of the Board, the late John Henry

Pope, who had been identified with the Bank from its inception, and whose death is mourned by the whole people of this wide Dominion. Mr. Pope was truly an honour to these Eastern Townships. A self-made man, a plain farmer, of good old U.E. Loyalist stock, he early evinced sagacity, talent, energy, and moral courage. He was not merely one of the most ardent promoters of the establishment of a Bank in and for the Eastern Townships, but he invariably gave it his thorough support, so far as his engagements as a Cabinet Minister permitted; and his sound advice and active assistance were always freely afforded at the call of the Board or the General Manager.

The Directors at their meeting yesterday, declared the usual half-yearly Dividend of $3\frac{1}{2}$ per cent., payable on the 2nd July next, and at the same time added \$50,000.00 to the Reserve Fund, bringing up this Fund to \$500,000.00, or one third of the authorized capital. The amount carried forward after these appropriations amounts to \$19,145.02.

In conclusion the Directors desire to express their sense and high appreciation of the zeal and assiduity of the whole of the officers of the Bank.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1889

Balance at Credit Profit and Loss carried forward from May 15th, 1888.....	\$3,975.14
Profit of Head Office and Branches after deducting charges of Management, all Interest due Depositors, and making ample provision for bad and doubtful debts	<u>169,960.92</u>
DEDUCT—	\$173,936.06
Div. of $3\frac{1}{2}$ per cent. paid 2nd Jan., 1889.....	\$51,405.19
Div. of $3\frac{1}{2}$ per cent. payable 2nd July, 1889..	51,955.85
Provincial Government Tax.....	1,430 00
Transferred to Reserve Fund.....	50,000.00
	<u>154,791.04</u>
Balance carried forward.....	<u>\$19,145.02</u>

Respectfully submitted on behalf of the Board,

R. W. HENEKER, President.

The President then addressed the meeting, congratulating them on the prosperous condition of the Bank, and the fact that the Reserve Fund had now reached the handsome

sum of \$500,000.00. The policy of the Board, during the past twelve months, as heretofore, has been a conservative one. While disposed to render assistance to legitimate enterprises, having in view the development of the resources of the country, the Board have been careful to avoid any business of a speculative nature. Speaking of the commercial growth of the country, he said that, during his 34 years' residence here, he could see great changes, great advancement, and marked increase of the wealth of the country towards which he thought the Bank might fairly lay claim to having given material aid. He further congratulated the Shareholders upon having such an efficient staff of employees whose devotion to the interests of the Bank was most praiseworthy; he thought that the time had arrived when the Shareholders should take into consideration the advisability of establishing a Pension Fund for the benefit of employees. Such a fund was already in operation amongst several of the principal Banks of Canada, and it was only due that those who spent their lives in the service of the institution should have some provision made for old age. He hoped that the Shareholders would give this matter their earnest consideration at the present meeting. He referred to the loss sustained by the country at large in the death of the Hon. John Henry Pope, a loss which would be felt no-where so keenly as by the Board of this Bank, of which he had been a member since its foundation. He moved, seconded by Hon. G. G. Stevens, the adoption of the Report, which was unanimously carried.

The following Resolution was then proposed by Hon. G. G. Stevens, seconded by Wm. Francis, Esq., of Montreal, and carried :—

“That the Shareholders present at this day's Annual Meeting of the Bank desire to state their entire concurrence expressed in this report in relation to the late Hon. John Henry Pope, a director of this Bank from the beginning of its operations, and one of the principal founders of the in-

“stitution. All who had the privilege of Mr. Pope’s acquaintance could not fail to be impressed with his high qualities, which won for him esteem as well as regard. They desire also to express their deep sympathy with the bereaved widow and family. That a copy of the above resolution be forwarded to Mrs. Pope.”

Mr. W. A. Hale moved, seconded by Lt.-Col. Kippen, that the thanks of the shareholders be tendered to the President and Directors, for their zeal and attention to the interest of the Bank. The usual vote of thanks was then passed to the General Manager and other officers for their attention to the business of the Bank during the past year. In connection with this vote, Mr. Wm. White, Q.C., on behalf of the shareholders, expressed himself strongly in favor of the establishment of a Pension Fund for the benefit of employees of the Bank. He moved seconded by Col. Kippen, the following resolution. “The shareholders having heard the particulars of the Act of the Dominion Parliament in relation to the formation of Pension Societies for Officers, think that it is for the interest of the Bank to permit the establishment of a Pension Fund Society in connection with this Bank, and authorize the Directors to take such steps as to them may seem advisable to carry the matter into effect, or to set apart and invest such sum annually and for such term of years as they may deem desirable.”

The ballot was then taken for election of Directors, which resulted as follows, viz.—R. W. Heneker, Hon. M. H. Cochrane, Hon. G. G. Stevens, J. N. Galer, Thos. Hart, D. A. Mansur, Israel Wood, N. W. Thomas, and T. J. Tuck.

The thanks of the meeting were then tendered to the Scrutineers and Chairman, after which the meeting adjourned.
R. W. HENEKER, President.

At the Directors meeting of the new Board, R. W. Heneker, was re-elected President, and Hon. G. G. Stevens Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,487,102.50
RESERVE FUND,	-	-	- \$ 550,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. G. G. STEVENS, - VICE-PRESIDENT.

HON. M. H. COCHRANE J. N. GALER, ESQ.

THOMAS HART, ESQ. D. A. MANSUR, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ.

WM. FARWELL, - GENERAL MANAGER

1890.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN,	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK	PORTLAND, MAINE
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1890.

LIABILITIES

Capital Paid in.....		\$1,487,102.50
Reserve Fund.....	\$550,000.00	
Profit and Loss Balance.....	17,854.43	
Dividend No. 61 of 3½ per cent. payable 2nd July next.....	52,031.10	
Dividends unclaimed.....	4,140.37	
		624,025.90
E. T. Bank Bills in Circulation..	\$782,204.00	
Dominion Deposits on Demand.....	24,710.47	
Provincial Deposits on Demand.....	9,944.97	
Deposits held as security for Dominion Contracts.....	875.00	
Other Deposits on Demand.....	431,770.65	
Other Deposits after Notice.....	1,802,019.94	
Due other Banks in Canada.....	11.01	
Due Banks in the United Kingdom....	37,851.24	
		3,089,387.28
		\$5,200,515.68

ASSETS

Specie.....	\$116,839.67	
Dominion Notes.....	91,146.00	
Bills and Cheques on other Banks....	22,942.90	
Due from other Banks in Canada.....	249,779.52	
Due from other Banks not in Canada...	105,555.53	
Due from other Banks, secured.....	15,834.18	
Dominion Government Debentures.....	13,000.00	
		615,097.80
Bank Premises and Bank Furniture....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	4,325,084.40	
Real Estate, other than Bank Premises..	14,457.86	
Mortgages on Real Estate sold by the Bank	78,173.63	
Loans Overdue, secured.....	35,081.86	
Loans Overdue, unsecured.....	23,392.81	
Other Assets and Items in transitu be- tween offices.....	9,227.32	
		4,585,417.88
		\$5,200,515.68

WM. FARWELL,
General Manager.



Samuel F. Morey



W. I. Briggs



E. N. Robinson



Stephen Edgell



W. H. Robinson

SENIOR OFFICERS RETIRED

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-FIRST ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 4TH, 1890.

The thirty-first Annual Meeting of the Shareholders of this Bank was held in the Board Room of the Institution on Wednesday, 4th day of June instant, only a small number of shareholders being present. R. W. Heneker, Esq., the President, took the chair at two o'clock, pursuant to notice. Wm. Farwell, the General Manager, was elected secretary, and Geo. H. Pierce, with F. C. Thompson, were elected scrutineers of votes.

Minutes of last Annual Meeting having been read and confirmed. the President submitted the following

REPORT

The Directors have much pleasure in being able to report to the Shareholders that the results of the working of the Bank for the past year have been satisfactory. The annexed Balance Sheet and Statement of Profit and Loss at the 15th of May last, will show in detail the exact position of the Bank at that date.

From the gross profit, due provision was made for the cost of management, the interest payable to depositors, and all bad and doubtful debts; in addition to which the sum of \$5,000 was appropriated towards the establishment of the New Pension Fund for Officers, which was so strongly recommended and sanctioned at the last Annual General Meeting of Shareholders.

After the provisions thus made, there remained the net sum of \$171,910.80 which has been applied in the first place to the two semi-annual dividends of $3\frac{1}{2}$ per cent each, the first of which was paid on the second of January last, and the second—declared at the Board Meeting yesterday—is payable on the 2nd of July next. There still remained a balance of \$67,854.43, of which \$50,000.00 has been carried to the credit of the Reserve Fund, and \$17,854.43 is carried forward. The Reserve Fund thus increased to \$550,000.00 represents over 36 per cent. of the Capital, and its steady growth encourages the Directors to look forward to the time—not very distant, they hope—when, the fund having reached 50 per cent. of the Capital, they may safely increase the annual dividends, and give better direct returns to the Shareholders.

The usual careful inspection of the Branches has been made during the year, and the reports are uniformly satisfactory. The system of distributing the directorate, so that the Branch Managers may derive advice and assistance from some member of the Board near at hand, has been found to work well. The local Director thus, in a measure, shares the responsibility of the Manager, and he, in his turn, feels the advantage of having some one intimately acquainted with the views of the Board, with whom to take counsel in difficult cases. The system, however does not in any way interfere with the control exercised by the General Manager in the general administration of the Bank.

It is satisfactory to note that the Eastern Townships have been fairly prosperous during the past year. The hay

crop of last summer was abundant, and though there was some difficulty in securing it in good condition, yet few complaints have been heard of, and there has been abundant feed for cattle throughout the winter. Some of the manufacturing industries have suffered a good deal, owing mainly to the long period of agricultural depression in the West, but should Canada be favoured with a good harvest this year, there seems every ground for believing that the markets will become active in proportion to the present depression. Mining industries in these Townships have been full of life and activity, and the lumber trade has given abundant employment in some of the poorer and more remote districts.

The railways which now traverse almost every section of the country, are fostering the development of many latent resources which, in the absence of facilities for reaching the market, must have lain dormant. Sherbrooke is, in this respect signally favoured by being a railway centre, with lines reaching north, south, east, and west, giving direct communication with every part of the continent.

The Directors have been mindful of the necessity of watching the legislation of the Dominion Parliament, during the late session, on the renewal of the Bank Charters. In addition to the two members of the board who are Senators, and gave valuable assistance during the session, the President and the General Manager joined the deputation of bankers which waited on the Finance Minister and the Government. The deputation was received with courtesy and listened to with patience, and the Directors believe that the Act passed will be found a great improvement on the present Act, remedying some of the principal defects and satisfying the reasonable wants of the community at large.

The Directors have only in conclusion to express their perfect satisfaction with the zeal and assiduity of the General Manager, the Managers of the Branches, and the other officers of the Bank.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1890

Balance at Credit Profit and Loss carried forward from May 15th, 1889.....		\$19,145.02
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and ample provision for bad and doubtful debts.....		152,765.78
DEDUCT—		<u>\$171,910.80</u>
Div. of 3½ per cent. paid 2nd Jan. 1890.....	\$52,025.27	
Div. of 3½ per cent. payable 2nd July 1890..	52,031.10	
Transferred to Reserve Fund.....	50,000.00	154,056.37
Balance carried forward.....		<u>\$17,854.43</u>

Respectfully submitted on behalf of the Board,

R. W. HENEKER,

President.

At the conclusion of the report the President made a short address to the shareholders, expressing regret that so small a number were present, and then reviewed and more fully explained the various items of the report and statements, and closed by moving the adoption of the report. This resolution was seconded by Hon. G. G. Stevens, and carried unanimously.

On motion by Rev. A. C. Scarth, seconded by Wm. White, Esq., the thanks of the shareholders were voted to the President, Vice-President and Directors for their care and attention to the interests of the Bank during the past year.

On motion by F. C. Thompson, Esq., seconded by Geo. H. Pierce, Esq., the thanks of the shareholders were tendered the General Manager, Managers and other officers for their zeal and attention to the business of the Bank.

The vote was then taken for election of Directors and at the close of the poll the Scrutineers declared the old Board re-elected.

R. W. HENEKER,

President.

At the meeting of the new Board, R. W. Heneker, Esq., was re-elected President, and Hon. G. G. Stevens, re-elected Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$1,500,000.00
CAPITAL PAID UP, - - -	\$1,487,582.50
RESERVE FUND, - - -	\$ 600,000.00

DIRECTORS.

R. W. HENEKER, ESQ.,	-	PRESIDENT.
HON. G. G. STEVENS,	. - -	VICE-PRESIDENT.
HON. M. H. COCHRANE	J. N. GALER, ESQ.	
THOS. HART, ESQ.	D. A. MANSUR, ESQ.	
ISRAEL WOOD, ESQ.	N. W. THOMAS, ESQ.	

THOMAS J. TUCK, ESQ.

WILLIAM FARWELL, - GENERAL MANAGER

1891.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1891.

LIABILITIES.

Capital Paid in.....		\$1,487,582.50
Reserve Fund.....	\$600,000.00	
Profit and Loss Balance.....	20,113.85	
Dividend No. 63 of 3½ per cent., payable 2nd July next.....	52,048.64	
Dividends unclaimed.....	3,307.81	675,470.30
E. T. Bank Bills in Circulation.....	\$796,204.00	
Dominion Deposits on Demand.....	26,885.44	
Provincial Deposits on Demand.....	13,084.25	
Other Deposits on demand.....	531,920.08	
“ “ after notice.....	1,922,961.40	
Due other Banks in Canada.....	3,327.45	
Due Banks in United Kingdom.....	2,052.32	3,296,434.94
		<u>\$5,459,487.74</u>

ASSETS.

Specie.....	\$114,308.99	
Dominion Notes.....	94,791.00	
Bills and Cheques on other Banks.....	24,767.27	
Due from other Banks in Canada.. . . .	372,347.17	
Due from other Banks not in Canada... .	93,191.14	
Due from other Banks, secured.....	15,834.18	
Dominion Government Debentures.....	13,000.00	728,239.75
Bank Premises and Bank Furniture....	\$100,000.00	
Current Loans, Discounts and Advances to the Public.....	4,459,562.51	
Real Estate, other than Bank Premises..	15,877.54	
Mortgages on Real Estate sold by the Bank.....	73,074.97	
Loans Overdue, secured.....	39,316.23	
Loans Overdue, unsecured.....	36,782.50	
Other Assets and Items in transitu be- tween offices.....	6,634.24	4,731,247.99
		<u>\$5,459,487.74</u>

WM. FARWELL,
General Manager.



COWANSVILLE

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-SECOND ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 3RD, 1891.

The thirty-second Annual General Meeting of Shareholders was held at their Banking House in the City of Sherbrooke, on Wednesday, 3rd of June, 1891. There was only a small attendance.

R. W. Heneker, Esq., the President took the chair ; Wm. Farwell, Esq., was elected Secretary, Lt.-Col Kippen and H. D. Lawrence Esq., Scrutineers of votes.

Minutes of last annual meeting having been read and confirmed, the President, on behalf of the Board, submitted their annual

REPORT

The Directors have much pleasure at the close of another financial year in laying before the Shareholders the Balance Sheet and Profit and Loss Statement for the past year, showing a successful result, the gross profit being \$174,211, or \$2,300.21 in excess of the preceding year. At the Board meeting yesterday a half-yearly dividend was declared of $3\frac{1}{2}$ per cent. making seven per cent. for the year, and the sum of \$50,000 was transferred to the credit of the Reserve Fund. This Fund now amounts to \$600,000, or over 41 per cent of the paid-up Capital

The new Bank Act, which will go into operation next month, preserves intact all the old privileges conferred on Canadian Banks, and at the same time provides remedies

for the only blots—two in number—which the critics of our Banking system could reasonably discover, viz. : The non-convertability of the note issue in places remote from headquarters, and the want of some provision for maintaining the value as well as for the prompt redemption of the notes of suspended Banks.

Under the new Act, in order to remedy the first of the above defects, it is incumbent on all the Chartered Banks to make definite arrangements for the redemption of their circulation at par throughout the Dominion. The cities of Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, and Victoria (the business centres of each Province) have been selected as Redemption cities for this purpose. The Directors have already made arrangements with the Bank of Montreal at all the places above-mentioned, with the exception of Charlottetown, P. E. Island, where the Bank of Montreal has no branch or agency. It will be necessary to make arrangements with a local bank in that city.

The second defect has been met by an ingenious and satisfactory plan suggested by the delegation of Bankers which assembled in Ottawa last year, and which after long and careful discussion was accepted by the Government. This plan may be briefly explained as follows :—In the first place, in addition to the security afforded under the old Banking Act of making the circulation a first charge on all the Assets of the Bank—which was a valid security for ultimate redemption—it is provided that the notes of a suspended Bank shall carry interest at 6 per cent. from the date of suspension until the liquidator shall give public notice that he is prepared to redeem the circulation. This will maintain the value of the note and enable poor men—and men engaged as lumbermen, sailors or others employed away from business centres—to feel quite secure from loss on any notes they may hold, and obviate the necessity of their sacrificing them to speculators. The plan adopted to make

this system effective is that the Banks themselves unitedly provide a Redemption Fund in the hands of the Dominion Treasurer. Each Bank pays into the Treasury 5 per cent. of its average circulation for the previous year by two instalments, the first of $2\frac{1}{2}$ per cent. within fifteen days of the first of July next, and the second within fifteen days of the 1st of July, 1892. Thus, at the expiration of one year from the date when the Bank Act goes into operation, a sum of over one and a half million of dollars will be on hand to meet any emergency. The Liquidator, can, should he feel it necessary, apply any portion of this sum towards the redemption of the circulation of a suspended bank, to be repaid from the assets as they are realised. The Liquidator will press the realisation of the assets, as the circulation outstanding carries six per cent. interest. And the effect will be to afford ample security for maintaining the value of the note, and will even increase the security of ultimate redemption at par. The Government, in consideration of the large fund placed in its safe-keeping, pays to the Banks interest at the rate of three per cent on the amount deposited.

By these two measures the Canadian Banking System is rendered still more perfect than in the past. It has already been proved to be effectual in providing adequate means to meet the fluctuations of trade, and by these new provisions it will be at least on a par with that of any system of Banking in the world, giving to the circulation a security equal to a gold currency without its inconveniences.

The shareholders must be aware that the business of the past year has been extremely dull. In addition to the results of a succession of bad harvests in the most populous Province in the Dominion, which reduced wholesale trade to the smallest dimensions, and curtailed the operations of the importer and the manufacturer, this section of the country has felt the effects of the disastrous state of affairs in South America, where gold has been at a premium of 390,

and the rates of exchange have fluctuated violently. Many of our largest saw-mills have had to carry over large stocks of lumber, and the operations of last winter have of necessity been circumscribed. The mining industries have been active, and had it not been for the doubt thrown on these industries by the unfortunate legislation of the last session in levying taxes on them, the development of the latent mineral resources of the country would have been hopeful and satisfactory. The Directors, while eschewing politics, cannot but grieve over any measures which they as business men feel to be doubtful expedients for the raising of revenue. They trust that the Legislature may see ere long that the taxing of commercial corporations, of mining industries, in fact of singling out any special class of men or business operations to be the bearers of public burdens is a mistake in political economy and detrimental to the true interests of the country.

The harvest prospects are brighter than for some years past, and though it is early to prognosticate, yet there is room to hope that the Dominion may reap the blessing of a good return to the labours of the husbandman.

The Directors in conclusion have pleasure in bearing testimony to the zeal and assiduity of all the executive staff, including the managers and officers of the Branches, as well as the Head Office. The result of the usual careful inspection of the Branches has been to satisfy the Directors that intelligence and integrity are the governing principles of the Bank officers.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1891

Balance at Credit Profit and Loss carried forward from May 15th, 1890.....	\$17,854.43
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and ample provision for bad and doubtful debts.....	156,356.63
	<hr/>
	\$174,211.06

Brought forward..... \$174,211.06

DEDUCT—

Div. of 3½ per cent. paid 2nd Jan. 1891.....\$52,048.57

Div. of 3½ per cent. payable 2nd July 1891.. 52,048.64

Transferred to Reserve Fund... .. 50,000.00

154,097.21

Balance carried forward.....

\$20,113.85

Respectfully submitted on behalf of the Board.

R. W. HENEKER,

President.

The Report was unanimously adopted. A vote of thanks to the President and Directors, and to the General Manager and other Officers of the Bank was passed. The annual appropriation for payment of Directors was increased two thousand dollars.

The election of Directors was then proceeded with, resulting in the re-election of the old Board.

The meeting then adjourned.

At the Board meeting same day, R. W. Heneker, Esq., and Hon. G. G. Stevens were elected President and Vice-President respectively.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$1,500,000.00
CAPITAL PAID UP, - - -	\$1,487,582.50
RESERVE FUND, - - -	\$ 625,000.00

DIRECTORS.

R. W. HENEKER, ESQ.,	- PRESIDENT.
HON. M. H. COCHRANE,	. - - VICE-PRESIDENT.
J. N. GALER, ESQ.	THOS. HART, ESQ.
D. A. MANSUR, ESQ.	ISRAEL WOOD, ESQ.
N. W. THOMAS, ESQ.	THOS. J. TUCK, ESQ.

GARDNER STEVENS, ESQ.

WILLIAM FARWELL, - GENERAL MANAGER

1892.



G. STEVENS,
Vice-President 1911-1912

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 14th, 1892.

LIABILITIES.

Capital Paid in.....		\$1,487,582.50
Reserve Fund.....	\$625,000.00	
Profit and Loss Balance.....	5,868.73	
Dividend No. 65 of 3½ per cent., payable 2nd July next.....	52,065.37	
Dividends unclaimed.....	3,420.61	686,354.71
E. T. Bank Bills in Circulation.....	\$739,327.00	
Dominion Deposits on Demand.....	23,908.68	
Provincial Deposits on Demand.....	18,034.01	
Other Deposits on demand.....	465,338.75	
“ “ after notice.....	1,976,541.81	
Due other Banks in Canada.....	93.63	
Due Banks in United Kingdom.....	36,613.80	3,259,857.68
		<u>\$5,433,794.89</u>

ASSETS.

Specie.....	\$110,116.85	
Dominion Notes.....	95,182.00	
Bills and Cheques on other Banks.....	25,583.33	
Due from other Banks in Canada..	342,805.00	
Due from other Banks not in Canada..	108,293.33	
Dominion Government, Circulation Re- demption Fund.....	19,706.00	
Dominion Government Debentures....	13,000.00	714,686.51
Bank Premises and Bank Furniture....	\$101,000.00	
Current Loans, Discounts and Advances to the Public.....	4,371,789.98	
Real Estate, other than Bank Premises..	40,889.59	
Mortgages on Real Estate sold by the Bank.....	77,482.18	
Loans Overdue, secured.....	36,813.45	
Loans Overdue, unsecured.....	54,039.53	
Other Assets and Items in transitu be- tween offices.....	37,093.65	4,719,108.88
		<u>\$5,433,794.89</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-THIRD ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1ST, 1892.

The Thirty-third Annual Meeting of the Shareholders of this Bank was held at the Head Office of this Bank in Sherbrooke on Wednesday, 1st June inst, only a few shareholders being present.

At two o'clock the President took the chair. W. Farwell, General Manager of the Bank, was appointed Secretary of the meeting. Lt.-Col. Kippen and Henry Lovell, Esq., were appointed Scrutineers of votes.

Minutes of last Annual Meeting were read and confirmed, after which R. W. Heneker, Esq., on behalf of the Board submitted the following

REPORT

The Directors, in submitting to the shareholders the Balance Sheet and Profit and Loss Statement for the past year, regret that they are unable to present as favorable a report as that of last year. Not only have the profits been smaller, but some accounts which seemed safe and secure developed weakness, and it was thought desirable to write them off. This was the more disappointing, as the Direc-

tors, at the close of last year, felt confident that due provision had been made for all such contingences. Several causes contributed to this, as for instance—the dulness of trade, referred to in last year's report continued throughout the year— notwithstanding the excellent harvest with which the country was blessed. But it takes time to market agricultural and other products, and the country is only now beginning to feel the effects of the last good harvest.

The lumber trade continued to be affected by the disorganized condition and serious financial position of the Argentine Republics, and indeed almost every industry was more or less affected.

Business men will understand that dulness in the productive industries of a country affects trade generally, developing often weak spots where the surface appears smooth and free from trouble. The losses made and the diminution in profitable business were more apparent at the Branches than at the Head Office,—the volume of business being larger and less local in the latter case. At such times cautious bankers feel the necessity of keeping a strong reserve, but this again curtails profits, and yet the Directors feel certain that the shareholders will uphold their action in this respect.

Notwithstanding these adverse circumstances the gross profit of the year is shown to have been \$134,999.47, a sum sufficient to more than cover the dividend paid in January last, a similar dividend declared by the Directors at their meeting yeeterday, payable on the 2nd July next, and the transfer to the credit of the Reserve Fund of \$25,000. The Reserve Fund with this addition, stands at \$625,000, or nearly forty-two per cent of the paid up capital.

The outlook for business is now brighter than for some time past. Business generally is more active, and the products of the farmer, the miner and the manufacturer are more in demand. There is more life in trade, although there is still a necessity for caution.

The Directors have to mourn the loss of their late esteemed colleague, the Hon. G. G. Stevens the Vice-President of the Bank. Mr. Stevens' high character, and the services he rendered to the Bank, even from its inception,—before he held a seat at the Board,—are matters of record, and will be a lasting memorial of his honourable career. His son Mr. Gardner Stevens, being duly qualified offers himself as a candidate in the place of his late father.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 14TH, 1892

Balance at Credit Profit and Loss carried forward from May 15th, 1891.....	\$20,113.85
Profit of Head Office and Branches after deducting charges of Management, Appropriation towards Pension Fund, Interest due Depositors, and making ample provision for bad and doubtful debts	114,885.62
DEDUCT—	\$134,999.47
Div. of 3½ per cent. paid 2nd Jan., 1892.....	\$52,065.37
Div. of 3½ per cent. payable 2nd July, 1892..	52,065.37
Transferred to Reserve Fund.....	25,000.00
Balance carried forward.....	<u>\$ 5,868.73</u>

R. W. HENNEKER,

President.

Mr. Heneker then addressed the meeting, explaining more fully the position of the Bank and the various items of the statement, and closed by moving the adoption of the Report. This was seconded by Senator Cochrane, and was unanimously carried.

With regard to that paragraph of the Report referring to the death of the late Vice-President, the following resolution, moved by Henry Lovell, Esq., seconded by Wm. White, Esq., was unanimously passed, viz :—

Resolved,—That the shareholders of the Eastern Townships Bank, assembled here this day, do place on record their sense of the deep sorrow they feel at the recent loss by

death of the Vice-President, the Hon. G. G. Stevens, Senator. No man possessed a higher character. His integrity and devotion to the well-being of this Institution were proverbial, and he combined with these qualities a spirit of active friendship for all who were privileged to be associated with him. An Eastern Township man born and bred, he had a firm belief in the country, and maintained that no better or pleasanter home could be found for an active minded, courageous, enterprising man than the Townships afforded. The warm sympathies of this meeting are respectfully tendered to his bereaved relatives.

The usual votes of thanks to the President and Directors, also to the General Manager, Managers, and other officers of the Bank were unanimously passed.

The election for Directors was then proceeded with, and after all votes had been cast the scrutineers reported the following shareholders duly elected, viz : R. W. Heneker, Esq., Hon. M. H. Cochrane, J. N. Galer, Esq., D. A. Mansur, Esq., Israel Wood, Esq., Thomas Hart, Esq., N. W. Thomas Esq., T. J. Tuck, Esq., Gardner Stevens, Esq.

The meeting then adjourned.

At the meeting of the New Board, R. W. Heneker, Esq., was re-elected President, and Hon. M. H. Cochrane, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$1,500,000.00
CAPITAL PAID UP, - - -	\$1,499,815.00
RESERVE, FUND - - - -	\$ 650,000.00

DIRECTORS.

R. W. HENEKER, ESQ.	-	PRESIDENT.
HON. M. H. COCHRANE,	-	VICE-PRESIDENT.
J. N. GALER, ESQ.		THOMAS HART, ESQ.
D. A. MANSUR, ESQ.		ISRAEL WOOD, ESQ.
N. W. THOMAS, ESQ.		THOMAS J. TUCK, ESQ.
GARDNER STEVENS, ESQ.		

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN,	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK	PORTLAND, MAINE
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1893.

LIABILITIES

Capital Paid in.....	\$1,499,815.00
Reserve Fund.....	\$650,000.00
Profit and Loss Balance.....	11,896.82
Dividend No. 67 of 3½ per cent. payable 3rd July next.....	52,290.39
Dividends unclaimed.....	2,850.19
	<hr/> 717,037.40
E. T. Bank Bills in Circulation..	\$802,216.00
Dominion Deposits on Demand.....	21,773.91
Provincial Deposits on Demand.....	14,540.67
Other Deposits on Demand.....	461,874.56
Other Deposits after Notice.....	2,260,274.44
Due other Banks in Canada.....	7,788 53
Due Banks in the United Kingdom.....	41,657.12
	<hr/> 3,610,125.23
	<u><u>\$5,826,977.63</u></u>

ASSETS

Specie.....	\$109,140.41
Dominion Notes.....	94,549.00
Bills and Cheques on other Banks.....	20,471.42
Due from other Banks in Canada.....	449,359.63
Due from other Banks not in Canada..	123,816.92
Dominion Government, Circulation Re- demption Fund.....	40,819.60
Dominion Government Debentures.....	13,000.00
	<hr/> 851,156.98
Bank Premises and Bank Furniture....	\$101,723.18
Current Loans, Discounts and Advances to the Public.....	4,686,285.57
Real Estate, other than Bank Premises..	47,651.43
Mortgages on Real Estate sold by the Bank	73,416.91
Loans Overdue, secured.....	26,982.36
Loans Overdue, unsecured.....	35,770.51
Other Assets and Items in transitu be- tween offices.....	3,990.69
	<hr/> 4,975,820.65
	<u><u>\$5,826,977.63</u></u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-FOURTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1893.

The thirty-fourth Annual General Meeting of the Shareholders was held, pursuant to published notice, at the Head Office of the Bank, in the City of Sherbrooke, on 7th June inst., only a small number of shareholders being present.

The General Manager having read notice calling the meeting, the President, R. W. Heneker, Esq., on motion, was asked to act as chairman.

W. Farwell, the General Manager, was appointed Secretary.

On motion, M. Read, Esq., and Alden Learned, Esq., were elected scrutineers.

Minutes of last annual meeting were read and confirmed.

R. W. Heneker, Esq., the President, then on behalf of the Directors, submitted their annual report, as follows :

REPORT.

The Directors beg to submit, for the information of the shareholders, the Balance Sheet and Profit and Loss Statement of the Bank for the year ending 15th May last.

The business of the year was fairly prosperous, showing a profit of \$135,608.87, after providing for the cost of management, the subscription to the Pension Fund, and the interest due depositors, with due allowance for bad and doubtful debts.

Comparing this with the profit of the preceding year, it will be found that there was an excess of profit in the year just closed of \$20,723.25. But whereas the amount carried forward from 1890-91 and added to the profit of 1891-2, was \$20,113.85, against only \$5,868.72, added in like manner to the profits of the past year, the available funds of 1892-3 only exceeded those of the previous year by \$6,478.13.

From the gross profit of the year a dividend was paid in January last of $3\frac{1}{2}$ per cent, and a similar dividend will be payable on the 3rd July next, the same having been declared by the Directors at their meeting yesterday. These two dividends absorb \$104,580.78. Of the remainder, the sum of \$25,000 has been added to the Reserve Fund, raising that fund to \$650,000, equal to about 43 per cent of the capital, and the balance, \$11,896.82—stands at the credit of Profit and Loss—carried forward.

The Directors had anticipated with some degree of confidence the placing of a larger sum than \$25,000 to the credit of the Reserve Fund, but in this they were disappointed, owing to an unexpected and somewhat heavy loss. The realization of the hope that this Fund would reach the looked for goal of one half the capital is still in the future; but the sum needed is now not more than \$100,000, and a short period of fair profits, combined with economical administration, will bring about the desired result.

The capital is now nearly all paid up, only \$185 remaining unpaid. Shares to the number of 2,936 were transferred during the past year, at prices varying from 137 to 140 per cent. The stock is held almost entirely for investment, but little, if any, having been acquired for speculation.

The expression "fairly prosperous," above mentioned, has been used advisedly, for the past year was not free from trouble and anxiety. In illustration of this it may be remembered that the hay crop of the year (after an unprecedently heavy rainfall in June) was abundant, although

its nourishing qualities were perhaps somewhat inferior to the crops of more dry seasons. Other crops than hay were however more or less deficient—potatoes almost an entire failure. At the same time also the markets in England for cattle were disappointing to the exporter, and this trouble was intensified by the scheduling of Canadian cattle, due to the false dread of pleuro-pneumonia. Stock raising was therefore not very profitable.

On the other hand the dairy districts of the Townships were prosperous, the farmers having been benefitted greatly by the lectures and practical instruction of Professor Robertson. It may now reasonably be claimed that the dairy products of the Eastern Townships stand pre-eminent.

The manufacturing industries of the Townships have shown of late greater activity than for some time past. As they afford profitable employment to large numbers of people who do not take kindly to farming, they are really invaluable to the country in many ways. Not a few cities, towns and villages, would be impoverished and almost deserted were the manufacturing industries closed down, a result not unlikely to ensue if Parliament should unfortunately be influenced by the unreasoning cry of some of the newspaper press for so-called tariff reform, which would benefit neither producer nor consumer.

Mining has been in part prosperous, and in part affected by over-production. The copper mines at Capelton and Eustis have been carried on with success, but dullness unfortunately continues to prevail at the Asbestos mines. The manufacture of mineral manures at Capelton has proved doubly valuable to the country, for in addition to the employment of labour, the products—pure in quality, without adulteration—have been found to be of essential service by those farmers who have learned how to use them.

The great Lumber business has been more active of late and promises a fair return for the capital employed.

The above sketch of some of the material industries of

the country shows how extended must be the glance of the Banker. All industries depend more or less on Banking institutions for aid, and a Banker needs therefore to keep all his faculties awake to understand what is going on around him. The resources of the Eastern Townships are almost unbounded and promise a good return for the employment of capital, if only care and judgment be united with industry and economy in their development.

In conclusion, the Directors feel that a word on the present Australian crisis may not be out of place. The Dominion has not, so far, been affected directly by the suspension of so many large Banks in Australia—but it cannot have escaped notice, that whereas, at this time last year, money in London in the open market was at $\frac{7}{8}$ of 1 per cent. the rate now is $4\frac{1}{2}$ per cent.

The several Branches of the Bank have been duly inspected, and the Directors have pleasure in bearing testimony to the zeal and assiduity of the Officers of the Bank generally.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1893

Balance at Credit Profit and Loss carried forward from May 14th, 1892.....	\$5,868.73
Profit of Head Office and Branches after deducting charges of Management, Appropriation towards Pension Fund, Interest due Depositors, and ample provision for bad and doubtful debts	135,608.87
DEDUCT—	\$141,477.60
Div. of $3\frac{1}{2}$ per cent. paid 2nd Jan., 1893.....	\$52,290.39
Div. of $3\frac{1}{2}$ per cent. payable 3rd July, 1893..	52,290.39
Transferred to Reserve Fund.....	25,000.00
	129,580.78
Balance carried forward.....	<u>\$11,896.82</u>

Respectfully submitted on behalf of the Directors,
R. W. HENEKER,
President.

The President made a short address to the Shareholders and closed by moving the adoption of the Report. This was seconded by J. N. Galer, and after remarks by some of the Shareholders it was adopted.

The usual votes of thanks to the President and Directors also to the General Manager and other Officers of the Bank were unanimously passed, after which the vote was taken for election of Directors, resulting in the re-election of the old Board, viz : R. W. Heneker, Hon. M. H. Cochrane, J. N. Galer, Israel Wood, N. W. Thomas, D. A. Mansur, Thos. Hart, T. J. Tuck, G. Stevens.

At the Directors' meeting, held immediately after, R. W. Heneker was re-elected President and Hon. M. H. Cochrane, Vice-President.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$1,500,000.00

CAPITAL PAID UP, - - \$1,499,905.00

RESERVE FUND, - - - - \$ 680,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. M. H. COCHRANE, VICE-PRESIDENT.

J. N. GALER, ESQ. THOMAS HART, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ. GARDNER STEVENS, ESQ.

JOHN G. FOSTER, ESQ.

WM. FARWELL, - GENERAL MANAGER

1894.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
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NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1894.

LIABILITIES

Capital Paid in.....		\$1,499,905.00
Reserve Fund.....	\$680,000.00	
Profit and Loss Balance.....	7,931.53	
Dividend No. 69 of 3½ per cent., payable 3rd July next.....	52,496.67	
Dividends unclaimed.....	3,273.41	
		<hr/> 743,701.61
E. T. Bank Bills in Circulation.....	\$723,110.00	
Dominion Gov't Deposits on Demand..	23,900.84	
Provincial Gov't Deposits on Demand..	7,952.70	
Other Deposits on Demand.....	410,102.24	
Other Deposits after notice.....	2,349,206.54	
Due other Banks in Canada.....	729.68	
Due other Banks in the United Kingdom	62,708.42	
		<hr/> 3,577,710.42
		<u>\$5,821,317.03</u>

ASSETS

Specie.....	\$87,299.96	
Dominion Notes.....	99,866.00	
Bills and Cheques on other Banks.....	16,427.25	
Due from other Banks in Canada.....	388,408.84	
Due from other Banks not in Canada...	160,279.27	
Dominion Government, Circulation Re- demption Fund.....	41,579.60	
Dominion Government, Debentures ...	13,000.00	
Provincial Government, Debentures....	48,666.67	855,527.59
Bank Premises and Furniture.....	\$101,623.18	
Current Loans, Discounts and Advances to the Public.....	4,667,463.42	
Real Estate, other than Bank premises.	42,277.05	
Mortgages on Real Estate sold by the Bank.....	63,730.15	
Loans Overdue, Secured.....	20,481.81	
Loans Overdue, Unsecured.....	55,591.04	
Other Assets and Items in transitu be- tween offices.....	14,622.79	
		<hr/> 4,965,789.44
		<u>\$5,821,317.03</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-FIFTH ANNUAL

MEETING OF THE SHAREHOLDERS HELD

ON JUNE 6TH, 1894.

The thirty-fifth annual general meeting of shareholders was held at their banking house in the city of Sherbrooke, pursuant to notice, on Wednesday, 6th June instant: a larger number of shareholders than usual being present, including R. W. Heneker, A. T. Foster, G. H. Pierce, Matthew Read, Thomas Hart, Hon. M. H. Cochrane, D. Hinman, Major I. Wood, T. J. Tuck, N. W. Thomas, J. N. Galer, Gardner Stevens, S. L. Clough, Wm. Morris, C. W. Cate, John G. Foster.

R. W. Heneker, Esq., the President, took the chair.

Wm. Farwell, the General Manager of the Bank, was elected Secretary; Wm. Morris and C. W. Cate were elected scrutineers of votes.

Minutes of last annual meeting were read and confirmed, after which the President, on behalf of the Board, submitted their annual

REPORT.

The Directors have again the pleasure to submit to the Shareholders at the close of another financial year, the Balance Sheet and Profit and Loss Statement for the year ending 15th of May last.

The net profits have amounted to \$131,028.05, after making due provision for the expenses of management.

interest to depositors, grant to the pension fund, as well as all bad and doubtful debts.

If to this net profit be added the amount brought forward from the preceding year, it will be seen that the available profit stands at \$142,924.87, being an excess of \$1,447.27 as compared with the year ending the 15th of May, 1893.

This available profit has been applied as follows, viz. ;

Dividend $3\frac{1}{2}$ per cent. 2nd January last.....	\$52,496.67
Dividend $3\frac{1}{2}$ per cent. payable 3rd July next.	52,496.67
Carried to Reserve Fund.....	30,000.00
Balance carried forward.....	7,931.53
	<u>\$142,924.87</u>

The Reserve Fund thus increased as above now stands at the sum of \$680,000, or within \$70,000 of that goal which all bankers aim at, viz., a reserve of one-half the capital stock.

The general Balance-sheet, if compared with the preceding year, shows a diminution in the circulation from \$802,216 to \$723,110. This is a practical evidence of that dullness in trade which has affected the Eastern Townships in common with every part of the Dominion.

It will also be noted that the deposits on demand are less by \$21,772.32 than in the preceding year, which though not a large sum when compared with the aggregate of these deposits, is yet an indication of dull times. On the other hand, the deposits after notice have risen from \$2,260,274.44 to \$2,349,206.54, an increase of \$88,932.10. If it be argued that this increase in interest bearing deposits is also an evidence of dullness and want of trade profit, yet it may certainly be cited as a proof of public confidence in the stability of the Bank. It was not a little remarkable that during the exciting times of financial crisis in the United States last summer, when bank after bank was reported as having failed, and when the Canadian banks felt the necessity of maintaining a strong position, the deposits in the Eastern Townships Bank showed a steady increase.

Indeed the past financial year has been a trying time

with bankers, and all who have had the care and administration of public and private funds. But the whole circumstances have been so widely discussed in the public press, that it is needless to recapitulate them. One of the main features, the falling off in the receipts in the carrying trade by railways and steamships, gives a clue to the whole story. There was comparatively little to carry, and even the lessened amount, as compared with previous years, had fallen greatly in value.

On the whole, however, the Directors feel that the Shareholders are to be congratulated; that after such a severe crisis as that of last year, followed by continued dullness in trade since the beginning of the year, they are able to show so good a result.

Care and caution will still be required for some time to come. There is still want of business activity in the country. Some of the largest manufacturing institutions find it hard to carry on their operations, and it will take time before the people have recovered the purchasing power, which is necessary to make trade profitable. But the promise of the Spring has been so good as to the coming harvest, that a feeling of hope is prevalent throughout the country.

It is satisfactory to note the growing interest being taken throughout the Townships in the Dairy industry. Almost everywhere creameries and cheese factories are being erected, and the principle of combination seems for the first time to have seized on the farmers of the country. It is admitted that the Eastern Townships are specially suited by soil, by an abundant and overflowing supply of pure water, and by a copious rainfall for the development of this industry. No doubt there is competition, which is daily growing more keen, but that should not frighten the farmer, for if a high quality be manufactured there will be but little risk of failure. But it may be asked, where can any country be found with greater facilities of inland transportation, or where there exists a more advantageous line of ocean transportation in a cool, high latitude?

If the manufacturer will only be careful as to quality, maintaining always the highest standard, he will secure a quick ready sale even in a dull market. Quality is of essential importance with dairy products and more especially in an article like butter which is so soon affected by outside circumstances.

The Directors have to express their sorrow at the loss of their esteemed colleague and friend, the late David A. Mansur, of Stanstead. He passed away last Autumn, ripe in years, wise in counsel, and a valued friend to all who had the privilege of his acquaintance.

They appointed in his place, in the interim until the election of the Directors at the annual meeting, Mr. John G. Foster, of Derby Line, Vt., a gentleman in the full vigor of life, whose reputation as a man of business and integrity of character, commended him to a large number of shareholders, who petitioned the Board on his behalf.

In conclusion, the Directors have only to report that the usual inspection of the Branches has been carefully made, and that the thanks of the Shareholders are due to the whole staff of the Bank officers who are zealous and assiduous in the performance of their duties.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1894

Balance at Credit Profit and Loss carried forward from May 15th, 1893.....	\$11,896.82
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and ample provision for bad and doubtful debts.....	131,028.05
DEDUCT—	\$142,924.87
Div. of 3½ per cent. paid 2nd Jan. 1894.....	\$52,496.67
Div. of 3½ per cent. payable 3rd July 1894..	52,496.67
Transferred to Reserve Fund.....	30,000.00
	134,993.34
Balance carried forward.....	<u>\$7,931.53</u>

The whole respectfully submitted on behalf of the Board.

R. W. HENEKER,

President.

The President then addressed the meeting, touching upon the various items of the general statement and the general business of the Bank, and closed by moving the adoption of the report. This was seconded by Senator Cochrane, the Vice-President.

The General Manager made a short address, and after remarks by several shareholders, the report was adopted.

The thanks of the Shareholders were then voted the President and Directors, also the General Manager, Managers and other officers of the Bank, after which the election of Directors was proceeded with, which resulted in the re-election of the old Board, viz.: R. W. Heneker, President; Hon. M. H. Cochrane, Vice-President; Israel Wood, J. N. Galer, Thomas Hart, N. W. Thomas, T. J. Tuck, Gardner Stevens. John G. Foster.

The meeting then adjourned,

R. W. HENEKER,

President.

At the meeting of the new Board, R. W. Heneker, Esq. and Hon. M. H. Cochrane, were re-elected President and Vice-President, respectively.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00
CAPITAL PAID UP, - - - \$1,499,905.00
RESERVE FUND, - - - \$ 720,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. M. H. COCHRANE, - VICE-PRESIDENT.

J. N. GALER, ESQ. THOMAS HART, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ. GARDNER STEVENS, ESQ.

JOHN G. FOSTER, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
MAGOG	E. P. OLIVIER	"
RICHMOND	W. L. BALL	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1895.

LIABILITIES.

Capital Paid in.....		\$1,499,905.00
Reserve Fund.....	\$720,000.00	
Profit and Loss Balance.....	13,534.54	
Dividend No. 71 of 3½ per cent., payable 2nd July next.....	52,496.67	
Dividends unclaimed.....	3,332.20	789,363.41
E. T. Bank Bills in Circulation.....	\$757,634.00	
Dominion Gov. Deposits on Demand....	21,668.41	
Provincial Gov. Deposits on Demand...	15,035.84	
Other Deposits on demand.....	566,664.82	
“ “ after notice.....	2,444,384.05	
Due other Banks in Canada.....	3,946.71	
Due Banks in United Kingdom	102,034.28	3,911,368.11

\$6,200,636.52

ASSETS.

Specie.....	\$102,756.78	
Dominion Notes.....	109,179.00	
Bills and Cheques on other Banks.....	30,783.12	
Due from other Banks in Canada... ..	344,744.60	
Due from other Banks not in Canada...	72,725.02	
Dominion Government, Circulation Re- demption Fund.....	42,826.98	
Dominion Government Debentures....	13,000.00	
Provincial Government Debentures....	48,666.67	764,682.17
Bank Premises and Bank Furniture....	\$107,445.65	
Current Loans, Discounts and Advances to the Public.....	5,128,526.00	
Real Estate, other than Bank Premises..	41,931.70	
Mortgages on Real Estate sold by the Bank.....	56,023.69	
Loans Overdue, secured	17,856.73	
Loans Overdue, unsecured	75,401.13	
Other Assets and Items in transitu be- tween offices.....	8,769.45	5,435,954.35

\$6,200,636.52

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-SIXTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 5TH, 1895.

The thirty-sixth Annual General Meeting of Shareholders was held at their Banking House, in the City of Sherbrooke, pursuant to notice, on Wednesday, 5th June instant, a good number of Shareholders being present.

R. W. Heneker, Esq., the President, took the chair.

Wm. Farwell, the General Manager of the Bank, was elected Secretary ; J. P. Wells and Wm. Morris were elected Scrutineers of Votes.

Minutes of last Annual Meeting were read and confirmed, after which the President, on behalf of the Board, submitted their

REPORT

In meeting the Shareholders at the close of the 35th year of the Bank's operations, the Directors have the pleasure to report a fairly profitable year's business, with a somewhat brighter prospect in the near future.

The Balance Sheet and Profit and Loss Statement for the year ending the 15th of May last, now submitted herewith, show the following results, viz :—

The net profit after making provision for all expenses of Management, Interest to Depositors, grant to the Pension Fund and all bad and doubtful debts, amounts to....	\$153,401.35
Add thereto the amount carried forward from the previous year.....	5,126.53
An available profit will be seen of	\$158,527.88

This has been applied as follows, viz :—

Dividend $3\frac{1}{2}$ per cent. paid 2nd January, 1895	\$52,496.67
Dividend $3\frac{1}{2}$ per cent. payable 2nd July, next	52,496.67
Carried to Reserve Fund.....	40,000.00
Balance carried forward.....	13,534.54
	<hr/> \$158,527.88

The Reserve Fund thus increased, now amounts to \$720,000.00—within 2 per cent. or \$30,000.00 of one half the Capital Stock of the Bank.

The Directors feel therefore justified in claiming for the Bank a fairly profitable business for the year despite many adverse circumstances. There is an increased net return over the previous year of \$18,000.00, partly applied in increased profits carried forward and partly in the increased amount credited the Reserve Fund.

Referring to the adverse circumstances above alluded to, the Shareholders must have noticed the great falling off in the general trade of the Dominion during the past year, due in part to the want of purchasing power arising from a low price of produce of all kinds ; to the stagnation in trade amongst Canada's best customers—Great Britain and the United States ;—to a stoppage of a large proportion of the great public works, which give employment to the people ; as well as to other causes.

In 1893, the returns of the two great railways—Grand Trunk and Canadian Pacific—began to show a falling off in traffic, which became more and more apparent in 1894. This loss of traffic was even more noticeable in the great lines of the United States, giving evidence of stagnation in trade. Happily there are now signs of improvement. Trade has taken an upward turn, a more hopeful feeling is manifest in almost all branches of business, and it may be fairly assumed that the tide has turned, with a fair prospect of renewed prosperity, if only the coming harvest should correspond with the wishes of the people. The spirit of economy has prevailed throughout the Dominion, noticeable

even in the Dominion and local Governments as well as in Municipal affairs, and every business corporation, firm, and private dealer has been acting with caution and care. This is the true basis of prosperity. The Directors feel justified, from all these considerations, while expressing satisfaction at the fair state of prosperity enjoyed by the Bank during times of difficulty, in looking forward to even a brighter outlook in the future.

Most of the Eastern Townships industries shew increased activity. In Agriculture there has been an extension of the Dairy industry. In Manufactures the mills are running full time, although complaint is still made of low prices. The Lumber business presents a favorable contrast to last year. In Mining, there is at all events no falling off, and new workings, new applications of scientific skill and more enterprise are apparent, and should produce good results. There is abundance of employment for an increased population, and trade should therefore prove more active and remunerative.

The Directors, at the request of the business men in the Village of Magog have opened a Branch at that important seat of textile manufactures, under the management of Mr. E. P. Olivier, from the Head Office.

In conclusion, the Directors have to report that the several Branches have been inspected as usual, and that the whole staff, by their zeal and assiduity in the discharge of their duties, deserve the thanks of the Shareholders.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1895

Balance at Credit of Profit and Loss carried forward from May 15th, 1894.....	\$5,101.53
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and ample provision for bad and doubtful debts.....	153,426.35
	<hr/> \$158,527.88

Brought forward.....	\$158,527.88
DEDUCT—	
Div. of 3½ per cent. paid 2nd Jan. 1895.....	\$52,496.67
Div. of 3½ per cent. payable 2nd July 1895..	52,496.67
Transferred to Reserve Fund.....	40,000.00
	<hr/>
	144,993.34
Balance carried forward.....	<hr/>
	\$13,534.54
	<hr/>
Respectfully submitted,	

R. W. HENEKER,
President.

The President then addressed the meeting, touching upon the various items of the statement, the business of the Bank and the country generally, and closed by moving the adoption of the report.

The thanks of the shareholders, on motion of Lieut. Col. King, seconded by Wm. White, Esq. Q. C., were voted the President and Directors for their watchfulness and successful attention to the interests of the Bank during the past year. On motion by A. T. Foster, Esq., seconded by Wm. Morris, Esq., the thanks of the Shareholders were voted to the General Manager, Managers, and other officers of the Bank for their application, and the faithful and zealous manner in which they had performed their respective duties to the Institution.

The election of Directors was then proceeded with, which resulted in the re-election of the old Board.

The meeting then adjourned.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$1,500,000.00
CAPITAL PAID UP,	-	-	\$1,500,000.00
RESERVE FUND,	-	-	- \$ 750,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. M. H. COCHRANE, VICE-PRESIDENT.

J. N. GALER, ESQ. THOMAS HART, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ. GARDNER STEVENS, ESQ.

JOHN G. FOSTER, ESQ.

WM. FARWELL, - GENERAL MANAGER

1896.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN,	"
COWANSVILLE	J. MACKINNON	"
GRANBY	E. N. ROBINSON	"
HUNTINGDON	W. H. ROBINSON	"
MAGOG	E. P. OLIVIER	
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK	PORTLAND, MAINE
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1896.

LIABILITIES

Capital Paid in.....	\$1,500,000.00
Reserve Fund.....	\$750,000.00
Profit and Loss Balance.....	21,808.74
Dividend No. 73 of 3½ per cent., payable 2nd July next.....	52,500.00
Dividends unclaimed.....	3,671.82
	827,980.56
E. T. Bank Bills in Circulation.....	\$874,046.00
Dominion Gov't Deposits on Demand..	21,562.60
Provincial Gov't Deposits on Demand..	10,797.78
Other Deposits on Demand	552,728.75
Other Deposits after notice.....	2,882,723.54
Due Banks in the United Kingdom.....	6,928.86

4,348,787.53

ASSETS

	\$6,676,768.09
Specie.....	\$112,551.33
Dominion Notes.....	108,887.00
Bills and Cheques on other Banks.....	39,410.24
Due from other Banks in Canada.....	399,410.19
Due from other Banks not in Canada...	209,588.99
Dominion Government, Circulation Re- demption Fund.....	44,111.79
Dominion Government, Debentures ...	13,000.00
Provincial Government, Debentures....	51,666.67
	978,626.21
Bank Premises and Bank Furniture....	\$120,931.67
Current Loans, Discounts and Advances to the Public.....	5,412,074.51
Real Estate, other than Bank premises.	52,268.25
Mortgages on Real Estate sold by the Bank.....	56,324.00
Loans Overdue, Secured.....	5,293.17
Loans Overdue, Unsecured....	31,360.82
Other Assets and Items in transitu be- tween offices.....	19,889.46
	5,698,141.88
	\$6,676,768.09

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-SEVENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD

ON JUNE 3RD, 1896.

The annual general meeting of shareholders was held at their banking house in the City of Sherbrooke, pursuant to notice, on Wednesday, 3rd June instant, a fair number of shareholders being present.

R. W. Heneker, Esq., the President, took the chair.

Wm. Farwell, the General Manager of the Bank, was elected Secretary ; C. W. Cate and A. D. Nicolls were elected scrutineers of votes.

Minutes of last annual meeting were read and confirmed, after which the President, on behalf of the Board, submitted their

REPORT.

The Directors beg to submit to the Shareholders their Annual Report on the operations of the past year, with the Balance Sheet and Profit and Loss Statement as on the 15th May last.

The results of the year's working proved satisfactory, so that the Directors at their meeting on the 2nd instant, after making ample provision for all bad and doubtful debts, as well as the usual appropriation of \$5,000.00 to the Pension Fund, were able to declare a second dividend of three-and-one-half per cent. ($3\frac{1}{2}$ p.c.), payable on the 2nd July next, making seven per cent. for the year, and to carry \$30,000.00 to the Reserve Fund, with a balance forward to the credit of Profit and Loss of \$21,808.74.

The result was the more gratifying, as the general business of the country during the past year proved disappointing to many who had looked forward to the advent of more prosperous times. Much had been looked for from the prospects of the then coming harvest ; but, though the yield was abundant, prices of all descriptions of farm produce continued too low to bring much profit. Trade, consequently, languished and dull times prevailed. Notwithstanding this, the country has progressed, as the Bank Returns shew, the interest deposits having increased considerably during the year.

The addition now made to the Bank Reserve has brought up that fund to the amount long looked forward to, viz. ; one-half the Capital, and the Directors are confident that the Shareholders will join them in their feeling of satisfaction at this result. The fund should be looked upon, not merely as an addition to the capital, but as a Shareholders' security against possible contingencies, and a Bank is greatly strengthened in every way by the possession of a strong reserve.

It does not of course follow that any change in the system of Bank administration will ensue. The same principle of caution, combined with energy and enterprise, will be necessary in the future, which was brought the small institution of 1859 to the condition of prosperity shewn by the Balance Sheet of 1896. The history of the Bank has been in the main a history of steady growth, and the Directors feel that the present prosperous condition is largely due to the help afforded by the Bank since its establishment, to every legitimate enterprise. It was established for the benefit of the Eastern Townships at a time when the business men of this section of country looked in vain for help from the large centres of trade.

The Directors do not shut their eyes to the circumstances of the times. There are clouds on the horizon, and every business man must watch them. In the banking business, one of these clouds arises from the lowering of the rate of interest through the accumulation of money. The fall in



ST. HYACINTHE

the rate has been great during the past few years, and while a low rate of interest is often a help to the business man, it tells against the holder of invested means, and tends to induce a spirit of speculation. Men are now more eager to enter on speculative business than they formerly were, and the banker requires great caution in making advances. But the world grows, and will grow healthily if men will be prudent. The Directors of the Eastern Townships Bank see no cause for alarm.

There are a few matters of interest, special and general, which the Directors desire to touch upon, and first among these is the opening of the new Branch at St. Hyacinthe.

The St. Hyacinthe Branch was opened last autumn, after careful thought and consideration, at the solicitation of many business men of that city.

It is the first instance of an extension of the business, beyond the limits of the Townships, into a district which had, up to that time, been served entirely by Montreal institutions, and a local bank. The greatest confidence was expressed in the system of management of the Eastern Townships bank, and a prosperous career for it was foretold, bringing benefit to the people of that city. The Directors are happy to be able to report that the experiment has been, so far, successful. The bank was welcomed by the citizens, deposits to a considerable amount have been secured, and satisfactory business relations have been established with firms of high standing and respectability. The outlook is satisfactory.

The Directors feel that it becomes them to express their satisfaction at the course taken by the citizens of Sherbrooke in endeavouring to promote the establishment of new industries in that city. They view with favour the enlargement of the Jenckes Machine Company's works, and the advantages which that Company must derive from the change made in the location of their shops. Through the facilities now secured to them, the Company can ship the heaviest ma-

chinery by rail directly from their works to any part of the continent.

The action of the Sherbrooke Board of Trade in making known the advantages offered by the city as a great business centre, is worthy of praise, and promises well for the future of the city.

The Directors also are pleased to notice the development of manufactures at other business centres, such as Granby, for instance, where the Rubber Works have been successfully carried on for some years, and other new industries are being established.

The City of St. Hyacinthe is also an energetic, prosperous business centre, and presents a picture of life and activity worthy of notice.

At the Village of Magog the great Print Works and Cotton Mills are kept always full of work, and the industries of Coaticook are also flourishing.

The Dairy industry of the country, in which the Directors have always felt a lively interest, has not been so profitable during the past year, as could be desired. As this is an industry of special importance to the farmers of the country, any falling off in the returns affects more or less the whole community. In their Report of 1894, the Directors drew special attention to this industry, showing the advantages to be derived from a scientific development of the natural resources of the Townships, which are so eminently suitable for dairy farming, through the quality of the soil, the nature of the climate, and the overflowing supply of pure water derived from the hill sides. Competition is no doubt keen, but by combination amongst farmers, so as to secure a proper number of cows, by care in the selection and management of the animals, by care in both summer and winter feeding, by care in manufacturing, and with a proper system of inspection, it seems impossible that such industries should fail of success. The benefits to the farmer are, not merely that he gets a quick return for his outlay, but that he also

benefits from having the milk, after separation of the cream, in a state the most profitable for the growth of young animals.

By means of the excellent facilities now provided for inland transportation, as well as ocean transportation, through a cool high latitude, under a proper system of cold storage, competition need not be feared. There may be in this, as in other products, at times an overplus, but that is a difficulty at all times incidental to man's labour.

The Mining industries cannot be overlooked in a review such as this, for the Townships have established a reputation of being rich in minerals, though as yet only very partially developed.

It is pleasant to note that, despite the dull times, the Asbestos and Copper Mines have continued in operation. When it is recognized that the Eastern Townships furnish eighty per cent. of the practicable asbestos of the world, it is reasonable to conclude that, if the cost of production can be kept within the bounds of a quick demand, the success of this industry is assured. The Directors have, during this past year, had their attention drawn to the great variety of uses to which this mineral textile material can be applied, and they foresee, if their information prove sound, an immense development of these workings.

The Directors are glad to notice also that Chrome iron has been found and worked profitably, the demand being active and satisfactory.

Even in the search for gold there is a movement, and the discovery of gold in quartz veins is looked upon as a certainty in the near future.

The advantage to the country of giving employment to the various classes of the people, in farming, in manufacturing and in mining, is all the more important at such times as the present, when the United States, our next-door neighbors, have declared it as a part of their policy that employment shall not be given to any but American citizens, all immi-

grants to that country being obliged to take the Oath of Allegiance, and even to pass a literary examination. This is indeed a change of policy from the time when that great country, in order to encourage emigration, was called "the asylum for the surplus population of Europe," and even sent delegates from New England to induce the population of the Province of Quebec to enter the New England factories.

Canada cannot and should not complain, but should seek by enterprise, and the employment of capital, to furnish employment within her own boundaries for every class of her people.

In conclusion the Directors bear willing testimony to the excellence of the Bank administration, and desire to record their thanks to the whole staff of the Bank Officers.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1896

Balance at Credit of Profit and Loss carried forward from May 15th, 1895.....	\$13,534.54
Profit of Head Office and Branches after deducting charges of Management, Appropriation towards Pension Fund, Interest due Depositors, and ample provision for bad and doubtful debts	\$143,274.20
DEDUCT—	\$156,808.74
Div. of 3½ per cent. paid 2nd Jan., 1896.....	\$52,500.00
Div. of 3½ per cent. payable 2nd July, 1896..	52,500.00
Transferred to Reserve Fund.....	30,000.00 135,000.00
Balance carried forward.....	<u>\$21,808.74</u>

Respectfully submitted on behalf of the Directors,

R. W. HENEKER,

President.

After reading the Report, the President briefly addressed the meeting, and concluded by moving its adoption ; this was seconded by Hon. M. H. Cochrane, and after remarks by the General Manager and short remarks by several Shareholders, was carried.

On motion, the appropriation for remuneration of Directors was increased \$400, making the amount \$8,400.

The thanks of the Shareholders were voted to the President and Directors, and also to the General Manager, Managers, and other officers of the Bank.

There being no further business before the meeting, the vote was taken for the election of Directors for ensuing year, which resulted in the re-election of the old Board, viz: R. W. Heneker, M. H. Cochrane, Thos. Hart, J. N. Galer, I. Wood, N. W. Thomas, T. J. Tuck, Gardner Stevens, John G. Foster.

The meeting then adjourned.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00
CAPITAL PAID UP, - - - \$1,500,000.00
RESERVE FUND, - - - \$ 785,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. M. H. COCHRANE, - VICE-PRESIDENT.

J. N. GALER, ESQ. THOMAS HART, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ. GARDNER STEVENS, ESQ.

JOHN G. FOSTER, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	E. N. ROBINSON	"
MAGOG	E. P. OLIVIER	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK.	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1897.

LIABILITIES.

Capital Paid in.....		\$1,500,000.00
Reserve Fund.....	\$785,000.00	
Profit and Loss Balance.....	24,980.38	
Dividend No. 75 of 3½ per cent., payable 2nd July next.....	52,500.00	
Bonus of 1 per cent. to Shareholders, payable 2nd July next.....	15,000.00	
Dividends unclaimed.....	3,671.82	881,152.20
E. T. Bank Bills in Circulation.....	\$938,975.00	
Dominion Gov. Deposits on Demand....	19,932.77	
Provincial Gov. Deposits on Demand...	7,212.27	
“ “ “ after Notice..	100,000.00	
Other Deposits on demand.....	667,404.77	
“ “ after notice.....	3,176,014.32	
Due other Banks in Canada	1,245.55	4,910,784.68
		<u>\$7,291,936.88</u>

ASSETS.

Specie.....	\$104,174.07	
Dominion Notes.....	101,783.00	
Bills and Cheques on other Banks.....	26,565.37	
Due from other Banks in Canada..	467,417.28	
Due from other Banks not in Canada...	272,918.78	
Due from other Banks in United King- dom.....	57,469.30	
Dominion Government, Circulation Re- demption Fund.....	45,435.14	
Dominion Government Debentures....	13,000.00	
Provincial Government Debentures....	51,666.67	1,150,429.61
Bank Premises and Bank Furniture....	\$120,150.00	
Current Loans, Discounts and Advances to the Public.....	5,903,751.06	
Real Estate, other than Bank Premises..	61,800.56	
Mortgages on Real Estate sold by the Bank.....	16,011.68	
Loans Overdue, secured	5,973.85	
Loans Overdue, unsecured.....	31,615.16	
Other Assets and Items in transitu be- tween offices.....	2,204.96	6,141,507.27
		<u>\$7,291,936.88</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-EIGHTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 2ND, 1897.

The Annual General Meeting of the Shareholders of this Bank was held at their Banking House in the City of Sherbrooke, pursuant to notice, on Wednesday, 2nd day of June instant, only a small number being present, including Judge Alfred, Newport, Vt., G. H. Pierce, Esq., Richmond, Matthew Read, William Morris, W. E. Paton, H. B. Brown and others.

Notice of meeting having been read, R. W. Heneker, Esq., the President, took the chair.

William Farwell, the General Manager, was elected Secretary; H. B. Brown and Judge Alfred were elected Scrutineers.

Minutes of last annual meeting having been read, the President, on behalf of the Directors, submitted their

REPORT.

In submitting to the Shareholders the Balance Sheet and Profit and Loss Statements for the past year, the Directors feel that they can, without hesitation, offer them their congratulations at the success which has attended the Bank's operations during that period.

The times have, it is true been dull,—a continuance of that dullness which has for so long a period prevailed in this Dominion and elsewhere, but notwithstanding, a good result has been achieved through careful administration.

It is particularly pleasing to be able to shew such a record, in a year when the National mind is so full of rejoicing and thankfulness that the well-beloved Queen and Empress who for sixty years has wielded the sceptre over the Mother country and its Colonies, as well as the great Empire of India, is still spared to her subjects.

The Directors have thought it proper and desirable to mark this event by the payment of a bonus of one per cent on the stock to the Shareholders, (they remembering always that a bonus is not a dividend in the ordinary acceptation of this term), designating it as the Bank's "Royal Victoria Diamond Jubilee Bonus," thus marking the year with a "white stone" on this occasion. They confidently anticipate the full approval of the Shareholders for this action.

Reference to the Profit and Loss Account shews that after the usual appropriation towards the Pension Fund, the payment of a bonus of 5% on salaries to the Staff in December last, and making ample provision for all bad and doubtful debts, the net earnings for the year have amounted to \$158,171.64, equal to 10½% on the capital. This must be considered a very satisfactory result.

The increase of \$35,000 to the Reserve Fund brings that account up to \$785,000, and the Directors look forward to being able further to increase this fund from time to time.

It is almost needless to urge that every bank should be able to shew a strong Reserve Fund, for the benefits of such a fund are two-fold. In the first place, it forms an addition to the Capital, without any corresponding liability, and secondly, it is a valuable security to the Shareholders, and a safeguard against all possible contingencies. In addition, it creates a spirit of confidence in the public mind, and commands the respect of the commercial community.

Every attention has been given to the affairs of the Bank. The accounts have been carefully scrutinized and audited at the end of each half year, and the Branches have undergone careful inspection.

The Directors cannot close this report without an expression of hope that the cloud of dulness in all business transactions, which has existed so long, may pass away soon. In this Dominion and amongst our near neighbors to the south of us there is abundant room for improvement in the business outlook. The recent Presidential election in the United States was looked upon as the possible turning point in that country ; but the long delay in the proper settlement of a tariff both there and in our own Dominion has caused continued stagnation. There is no lack of energy on the part of the people, and the great accumulation of money deposited in Banks, and other places of deposit, would soon find profitable employment if only the business outlook were more promising.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1897

Balance at Credit of Profit and Loss carried forward from May 15th, 1896.....		\$21,808.74
Profit of Head Office and Branches after deducting charges of Management, Appropriation towards Pension Fund, Interest due Depositors, and ample provision for bad and doubtful debts		\$158,171.64
DEDUCT—		\$179,980.38
Div. of 3½ per cent. paid 2nd Jan., 1897.....	\$52,500.00	
Div. of 3½ per cent. payable 2nd July, 1897..	52,500.00	
Bonus of 1 per cent. to Shareholders, payable 2nd July, 1897.....	15,000.00	
Transferred to Reserve Fund.....	35,000.00	155,000.00
Balance carried forward.....		<u>\$24,980.38</u>

The whole respectfully submitted on behalf of the Directors.

R. W. HENEKER,
President.

At the conclusion of reading the Report and Statement, the President moved their adoption in a short speech, in which he congratulated the Shareholders on the satisfactory results of the business, and the standing of the Bank at this

the closing of its thirty-eighth year. Business had been dull during the past year, but great caution had been exercised and every account had been closely scrutinized : while at all times keeping in hand a strong cash reserve they had been able to accomplish the results shewn.

He referred to the tariff question which was agitating the business community, both in the United States and in Canada. Some items of the United States tariff, now under consideration, if passed, would no doubt injuriously affect Canada, but it would be an incentive to turn our attention to the markets of Great Britain and foreign countries, and he hoped with good results. Even now a move was being made in this direction by the lumber dealers, and it was hoped it would prove successful, as when once trade relations were established with those countries it would likely be more permanent and not so liable to fluctuations. The Canadian tariff, even with the changes being made, would no doubt bear very hard on some industries, as first brought down, it would have had a disastrous effect on the woollen business in which Sherbrooke is specially interested, but he had just been given to understand modifications had been made which would give considerable relief, and it was to be hoped before the final passage of the Bill relief would be given in other directions.

The dairying business of the country—which was a very important one in the Eastern Townships—he was glad to say was in a satisfactory condition, and was being largely extended owing to the cold storage system and quick transportation which had been established. No country was more favourably situated than Canada, and especially this section, to do an extensive and remunerative business in dairy products.

Lumbering operations had been very active and fairly profitable.

The mining industry he believed was being prosecuted successfully, especially in asbestos, and the manufacturing

industries at Granby and other points covered by the Bank were prosperous.

Senator Cochrane seconded the motion, and after remarks by the General Manager, Mr. Pierce, Mr. Read, Judge Alfred, W. Morris, and others, the report was adopted.

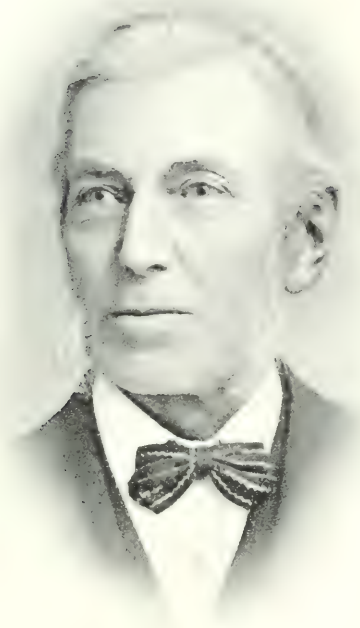
On motion by W. Morris, seconded by W. E. Paton, a hearty vote of thanks was passed to the President and Directors.

On motion by John G. Foster, seconded by Judge Alfred, a vote of thanks was also passed to the General Manager, Managers and other officers of the Bank.

There being no further business the vote was taken for election of Directors, resulting in the election of the old Board, viz : R. W. Heneker, M. H. Cochrane, J. N. Galer, I. Wood, N. W. Thomas, Thomas Hart, Gardner Stevens, T. J. Tuck, John G. Foster.

The meeting then adjourned.

R. W. HENEKER,
President.



C. H. KATHAN

Director 1898-1912

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,500,000.00

RESERVE FUND, - - - \$ 835,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. M. H. COCHRANE, - VICE-PRESIDENT.

J. N. GALER, ESQ. C. H. KATHAN, ESQ.

ISRAEL WOOD, ESQ. N. W. THOMAS, ESQ.

THOMAS J. TUCK, ESQ. GARDNER STEVENS, ESQ.

H. B. BROWN, ESQ.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	E. N. ROBINSON	"
MAGOG	E. P. OLIVIER	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

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NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1898.

LIABILITIES

Capital Paid in.....		\$1,500,000.00
Reserve Fund.....	\$835,000.00	
Profit and Loss Balance.....	22,726.50	
Dividend No. 77 of 3½ per cent., payable 2nd July next.....	52,500.00	
Bonus of ½ per cent. to Shareholders, payable 2nd July next.....	7,500.00	
Dividends unclaimed.....	3,181.82	
		920,908.32
Notes of the Bank in Circulation.....	\$895,924.00	
Deposits on Demand.	789,881.43	
“ after Notice.....	3,594,123.39	
Due Banks in the United Kingdom.....	40,901.52	
Other Liabilities.....	937 27	

5,321,767.61

ASSETS

\$7,742,675.93

Specie.....	\$100,465.48	
Dominion Notes.....	98,686.00	
Bills and Cheques on other Banks.....	35,865.18	
Due from other Banks in Canada.....	394,390.62	
Due from other Banks not in Canada...	282,473.31	
Deposit with Dominion Government, Circulation Redemption Fund.....	51,363.05	
Dominion Government Debentures....	13,000.00	
Provincial Government, Debentures and other Public Securities.....	193,517.65	1,169,761.29
Bank Premises and Bank Furniture....		120,000.00
Current Loans, Discounts and Advances to the Public.....	6,328,353.27	
Real Estate, other than Bank premises.	68,200.33	
Debts Secured by Mortgages.....	13,282.73	
Loans Overdue, all Loss provided for..	29,616.06	
Other Assets.....	13,462.25	

6,452,914.64

\$7,742,675.93

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE THIRTY-NINTH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 1st, 1898.

The Annual Meeting of the Shareholders of this Bank was held at their Banking House, in the City of Sherbrooke, on Wednesday, 1st day of June instant, a fair number of Shareholders being present.

Notice of meeting having been read, R. W. Heneker, Esq., the President, took the chair.

Wm. Farwell, the General Manager, was elected Secretary.

F. C. Thompson and Wm. Morris were elected Scrutineers of votes.

Minutes of last annual meeting were then read, after which the President on behalf of the Directors submitted the following

REPORT.

The Directors have much pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement at the close of the financial year and to express their satisfaction at the results of the year's business.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1898

Balance at Credit of Profit and Loss carried forward from May 15th, 1897.....	\$24,980.38
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and ample provision for bad and doubtful debts.....	160,246.12
	<hr/> \$185,226.50

	Carried forward.....	\$185,226.50
DEDUCT—		
	Div. of $3\frac{1}{2}$ per cent. paid 2nd Jan. 1898.....	\$52,500.00
	Div. of $3\frac{1}{2}$ per cent. payable 2nd July 1898..	52,500.00
	Bonus of $\frac{1}{2}$ per cent. to Shareholders, payable	
	2nd July, 1898.....	7,500.00
	Transferred to Reserve Fund..	50,000.00
		<u>162,500.00</u>
	Balance carried forward.....	<u>\$22,726.50</u>

As will be seen by the Profit and Loss Statement, the Directors have been able to provide the usual Dividend at the rate of seven per cent. a Bonus to the Shareholders of one half of one per cent. and to add to the Reserve Fund Fifty Thousand Dollars, leaving a balance of Profit of Twenty-two thousand seven hundred and fifty-six Dollars and twenty cents (\$22,756.20) to be carried forward.

The Directors feel that their action in thus continuing to increase the strength and earning powers of the Bank by adding to the Reserve Fund, as the profits permit, instead of increasing the rate of Dividend at the present time, will meet with the approval of the majority of the Shareholders, they are in hopes however, that the Profits in the future will also enable them to give from time to time a small Bonus as well as adding to the Reserve.

The funds of the Bank have been profitably employed during the year, the Note circulation has been well maintained and Deposits have increased to the extent of Four Hundred Thousand Dollars (\$400,000), showing the increasing wealth of the Townships. Owing to the cheapness of money in the great centres, the Government have been able to affect loans at greatly reduced rates and in consequence have decided to reduce the interest payable on Government Savings Bank Deposits. An Act has been passed during the present Session, which comes into force on the first of July next, reducing rate to $2\frac{1}{2}$ per cent. This action has not as yet been followed by the Banks, but the general tendency is in that direction in the near future.

The Directors are pleased to be able to report an improvement in business generally, brought about by the excellent harvest of 1897, coupled with high prices for farm products, greatly benefiting the farmers, and as a matter of course giving life and energy to all other branches of business; added to which the discovery of gold in the Yukon country, and the development and working of the mines in British Columbia, Nova Scotia and other sections, have created a large demand throughout our manufacturing establishments, so that almost every industry in the country has felt the general improvement in business. The outlook for the future is most promising.

Your Directors, after careful consideration, are of opinion that the number of Directors resident where the Head Office is situated should be increased to at least four, not only that there may always be a quorum available, but also that the large and increasing business of the Bank—which must necessarily be controlled and directed from the Head Office—may receive the fullest consideration. They recommend that action to that effect be taken at the present meeting.

Your Directors desire to express their regret, that through the appointment of their colleague Colonel John G. Foster, to the Consulate of the United States at Halifax, N. S., they have been deprived of his valuable services. On his resignation they proceeded to appoint Mr. C. H. Kathan of Stanstead in his place “ad interim.” Mr. Kathan is a prominent business man, well and favourably known in that section, and strongly recommended by our late colleague as his successor.

The Head Office and Branches of the Bank have been regularly inspected during the past year.

In conclusion, the Directors desire to place on record their entire satisfaction with the zeal and attention of the Staff generally to the business of the Bank.

The whole respectfully submitted,

R. W. HENEKER, President.

Upon conclusion of the Report the President briefly addressed the meeting touching upon the various items of the Statement, condition of business at various points served by the Bank, the good crop prospects for this season and general prosperous outlook, and closed by moving the adoption of the Report. This was seconded by Major Wood. The General Manager having been called upon made a short address, and after remarks by other Shareholders present the Report was adopted.

The thanks of the Shareholders were voted to the President and Directors, and the appropriation for their remuneration was increased in the sum of sixteen hundred dollars per annum.

Thanks of the Shareholders were also voted the General Manager, Managers, and other Officers of the Bank.

The ballot was then taken for election of Directors for ensuing year. After the whole vote had been cast the Scrutineers reported the following Shareholders elected, viz : Richard W. Heneker, Matthew H. Cochrane, Israel Wood, J. N. Galer, N. W. Thomas, T. J. Tuck, Gardner Stevens, C. H. Kathan, H. B. Brown.

There being no further business the meeting adjourned.

R. W. HENEKER,
President.



J. S. MITCHELL.

Director 1899-1912

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$1,500,000.00

CAPITAL PAID UP, - - - \$1,500,000.00

RESERVE FUND, - - - \$ 850,000.00

DIRECTORS.

R. W. HENEKER, ESQ. - PRESIDENT.

HON. M. H. COCHRANE, - VICE-PRESIDENT.

J. N. GALER, ESQ. ISRAEL WOOD, ESQ.

N. W. THOMAS, ESQ. THOMAS J. TUCK, ESQ.

GARDNER STEVENS, ESQ. C. H. KATHAN, ESQ.

H. B. BROWN, ESQ., Q.C.

WM. FARWELL, - GENERAL MANAGER

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	E. N. ROBINSON	"
MAGOG	E. P. OLIVIER	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

BRITISH COLUMBIA :

GRAND FORKS	J. MACLOUGHLIN	Manager
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CORRESPONDENTS

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1899.

LIABILITIES

Capital Paid up.....	\$1,500,000.00
Reserve Fund.....	\$850,000.00
Balance Profits carried forward.....	41,994.72
Dividend No. 79 of 3½ per cent., payable 3rd July next.....	52,500.00
Dividends unclaimed.....	3,793.57
	<hr/> 948,288.29
Notes of the Bank in Circulation.....	\$924,012.00
Deposits payable on Demand.....	838,855.95
“ “ after Notice.....	4,016,317.04
Due Banks in the United Kingdom.....	44,970.78
“ “ “ Foreign Countries....	25,800.59
	<hr/> 5,849,956.36

ASSETS

	<hr/> \$8,298,244.65
Specie.....	\$108,226.05
Dominion Notes.....	109,133.00
Bills and Cheques on other Banks.....	50,392.32
Due from other Banks in Canada.....	309,731.39
Due from other Banks not in Canada...	213,567.14
Dominion Government Debentures.....	13,000.00
Provincial Government Debentures and other Public Securities.....	284,312.10
Call loans on Bonds and Stocks.....	65,426.89
Total Assets immediately available	<hr/> 1,153,788.89
Deposit with Dominion Government for security of Bank Note Circulation....	52,897.53
Current Loans, Discounts and Advances to the Public.....	6,803,397.24
Real Estate, other than Bank premises.	86,633.06
Debts Secured by Mortgages.....	21,443.73
Loans Overdue, all Loss provided for..	18,904.40
Other Assets and Items in transitu be- tween offices of the Bank.....	34,334.80
Bank Premises and Bank Furniture....	<hr/> 126,845.00
	<hr/> \$8,298,244.65

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTIETH ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 7TH, 1899.

The Annual Meeting of the Shareholders of this Bank was held at their Banking House, in the City of Sherbrooke, on Wednesday, 7th day of June instant, only a small number of Shareholders being present, including with others, Messrs Thos. Hart, G. H. Pierce, J. W. Woodside, H. A. Elkins, C. D. White, P. S. G. MacKenzie, R. F. Morris, M. Read.

Notice of meeting having been read, R. W. Heneker, Esq., the President, took the chair.

Wm. Farwell, the General Manager, was elected Secretary,

F. C. Thompson and C. D. White were elected Scrutineers of votes.

Minutes of the last annual meeting were then read, after which the President on behalf of the Directors submitted the following.

REPORT.

The Directors have the pleasure at the close of another—the fortieth—year of their business, to meet the Shareholders and render an account of their stewardship. Although the annual returns may be classed as satisfactory, the net earnings of the year have not been as large as they anticipated a year ago ; but this is accounted for by the active competition which is now taking place in every branch of business—banking not excepted.

The Profit and Loss Statement shows that not only has provision been made for the usual dividend of 7 per cent, per annum,—of which \$52,500 was paid in January last, and a like sum will be payable on the 3rd July next,—but that \$15,000 has been transferred to the Reserve Fund, which now amounts to \$850,000, representing over 56 per cent, of the capital, leaving to be carried forward a credit balance of \$41,994.72, as compared with \$22,726.50 in the previous year.

The interest bearing deposits shew a very considerable increase, which may be taken as evidence of continued confidence in the high position attained by the Bank.

The general business of the Eastern Townships during the past year has been active and profitable. Indeed the trade returns of the Dominion shew a like degree of prosperity, which has compensated largely for the long period of dullness which formerly prevailed. Agriculture, manufactures, lumbering in the shape of pulp wood, mining, and commercial business have all shared in this prosperity. From a study of the reports of Dun & Company and Bradstreet it will be seen that the failures have not only been fewer than in previous years but the aggregate of loss has been less.

The Shareholders cannot but be aware of the fact that the gold-bearing region of British Columbia is being very largely developed, and after careful consideration the Directors have come to the conclusion that it would be wise to open a Branch at Grand Forks, B. C., a small town on the direct line of railway, leading into the heart of the mining region. Smelting works are to be established at this point and a profitable business is looked for, which it is intended shall be conducted upon strictly business principles as at other points.

All the offices of the Bank have been, as usual, carefully inspected during the year ; and in conclusion the

Directors have again to record their entire satisfaction in regard to the zeal and assiduity of the staff generally.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1899

Balance at Credit of Profit and Loss, brought forward from May 15th, 1898.....	\$22,726.50
Profit of Head Office and Branches, after deducting charges of Management, Appropriation towards Pension Fund, Interest due depositors, and provision for bad and doubtful debts.....	139,268.22
	<hr/> \$161,994.72

APPROPRIATED AS FOLLOWS :

Div. of 3½ per cent. paid 2nd Jan. 1899.....	\$52,500.00
Div. of 3½ per cent. payable 3rd July 1899...	52,500.00
Transferred to Reserve Fund.....	15,000.00
	<hr/> 120,000.00
Balance carried forward.....	<hr/> \$41,994.72

Respectfully submitted on behalf of the Board.

R. W. HENEKER,

President,

Upon conclusion of the Report, the President addressed the meeting, referring briefly to the establishment of the Bank in 1859, and the prosperity which had ever since attended it through its being constantly in touch with the business interests of the section served, holding that both the Bank and the country had prospered by thus acting together. He then referred to the various items of the statement and the growth of the deposits, showing the general prosperity of the country.

Remarks followed by Mr. Pierce and others, mainly relative to the establishment of the Branch in British Columbia, after which the Report as read was adopted. The thanks of the Shareholders were voted to the President and

Directors, also to the General Manager, Managers and other officers of the Bank.

The ballot was then taken for the election of Directors for the ensuing year, when the Scrutineers reported the re-election of the previous Board, viz : R. W. Heneker, Hon. M. H. Cochrane, Israel Wood, T. J. Tuck, C. H. Kathan, G. Stevens, N. W. Thomas, J. N. Galer, and H. B. Brown, Q. C.

There being no further business the meeting adjourned.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWN
SHIPS BANK FOR THE PAST 40 YEARS—1860 TO 1899 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circula- tion	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,436	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & $\frac{1}{2}$ % Bonus	4,384,005	895,924	6,452,914	911,879
1899	1,500,000	850,000	7 Bonus	4,855,173	924,012	6,843,745	1,153,788



COATICOOK

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$2,000,000.00
CAPITAL FULLY PAID UP,	-		\$1,500,000.00
RESERVE FUND,	-	-	\$ 900,000.00

DIRECTORS.

R. W. HENEKER, ESQ., - - PRESIDENT.

HON. M. H. COCHRANE, VICE-PRESIDENT.

ISRAEL WOOD, ESQ. GARDNER STEVENS, ESQ

C. H. KATHAN, ESQ. J. N. GALER, ESQ.

N. W. THOMAS, ESQ. J. S. MITCHELL, ESQ.

H. B. BROWN, Q. C.

WM. FARWELL, - GENERAL MANAGER

S. EDGELL, LOCAL MANAGER. S. F. MOREY, INSPECTOR.

1900.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	B. AUSTIN	"
COWANSVILLE	J. MACKINNON	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	E. N. ROBINSON	"
MAGOG	E. P. OLIVIER	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
STANSTEAD	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"

BRITISH COLUMBIA :

GRAND FORKS	J. MACLOUGHLIN	Manager
PHOENIX	W. SPIER	"

CORRESPONDENTS.

BANK OF MONTREAL	MONTREAL
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND,	LONDON, ENGLAND

EASTERN TOWNSHIPS BANK,

GENERAL STATEMENT.

May 15th, 1900.

LIABILITIES.

Capital Paid up.....		\$1,500,000.00
Reserve Fund.....	\$900,000.00	
Balance Profits carried forward.....	26,406.14	
Dividend No. 81 of 3½ per cent., payable		
3rd July next.....	52,500.00	
Bonus to Shareholders of 1 per cent....	15,000.00	
Dividends unclaimed.....	4,333.32	998,239.46
		<hr/>
		\$2,498,239.46
Notes of the Bank in Circulation.....	1,147,707.00	
Deposits payable on demand.....	859,227.50	
“ “ after notice.....	4,322,223.93	
Due Banks in the United Kingdom....	57,591.24	
“ “ “ Foreign Countries....	15,016.55	6,401,766.22
		<hr/>
		<u>\$8,900,005.68</u>

ASSETS.

Specie.....	113,134.59	
Dominion Notes.....	107,004.00	
Bills and Cheques on other Banks.....	36,646.95	
Due from other Banks in Canada..	643,225.07	
Due from other Banks not in Canada..	134,136.57	
Dominion Government Debentures....	13,000.00	
Provincial Government Debentures and		
other Public Securities.....	319,923.00	
Call loans on Bonds and Stocks.....	26,758.10	
Total Assets immediately available....		<hr/> 1,393,828.28
Deposits with Dominion Government for		
security of Bank Note Circulation....	54,484.45	
Current Loans, Discounts and Advances		
to the Public.....	7,134,045.54	
Real Estate, other than Bank Premises..	40,301.23	
Debts Secured by Mortgages.....	48,663.63	
Loans Overdue, all Loss provided for...	23,949.07	
Other Assets and Items in transitu be-		
tween offices of the Bank.....	53,488.56	
Bank Premises and Bank Furniture....	151,244.92	7,506,177.40
		<hr/>
		<u>\$8,900,005.68</u>

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-FIRST ANNUAL

MEETING OF THE SHAREHOLDERS HELD

ON JUNE 6TH, 1900.

The Annual General Meeting of Shareholders was held at their Banking House in the City of Sherbrooke, on Wednesday, 6th June instant, there being a fair number present. Notice of meeting having been read, the President R. W. Heneker, Esq., took the chair ; Wm. Farwell, the General Manager, was appointed Secretary of the meeting :

Messrs. Wm. Morris and Frank C. Thompson were elected as scrutineers of votes. Minutes of last annual meeting were then read and confirmed, after which the President, on behalf of the Board, submitted their annual

REPORT.

At the close of another year, the Directors have much pleasure in placing in the hands of the Shareholders, the Balance Sheet and Profit and Loss Statement, as at the 15th of May last, with such explanations of the operations of the past year as may interest them.

A careful examination of the documents submitted will, the Directors believe, show that the results were satisfactory.

The net returns, when added to the amount brought forward, from the previous year, have proved sufficient to provide not only for the cost of management, and charges,

as well as ample allowance for all bad and doubtful debts, but also to pay the usual half yearly dividends of $3\frac{1}{2}$ per cent each, one of which was paid on the 2nd of January last, and the other (declared at the meeting of the Board on Monday last) will be payable on the 3rd of July next. In addition thereto a bonus of 1 per cent. on the Capital Stock, will also be payable on the 3rd of July. The sum of \$50,000.00 will also be added to the Reserve Fund, leaving \$26,406.14 standing at the credit of Profit and Loss to be carried forward. This will bring up the Reserve Fund to \$900,000, which represents 60 per cent. of the Capital.

The Directors feel that this statement will prove acceptable to the Shareholders, for such a result is the best proof of an active business.

Good hopes are entertained that the prosperous times will continue, though the outlook is not in all respects quite so bright as the Directors would like to see it. All parts of the world are now drawn so closely together that it is not easy to gauge the future, and however prosperous commercial institutions may be, there must be continued caution and care exercised in administration, without which prosperity cannot be secured.

The Directors have had many applications for the opening of Branches, and all, as a matter of course, have entertained no doubt, that prosperity may be depended upon in each case. The Branch opened at Grand Forks, in the mineral regions of British Columbia, alluded to last year, has so far proved successful. It was specially visited last summer by Director H. B. Brown, Q. C., accompanied by the General Manager, who found that a good start had been made, with a fair promise of success, if carefully managed,

The proposed opening in Montreal has of necessity been delayed, not, however, because of any change of mind on the part of the Board, but in consequence of the difficulty of securing suitable premises, at a reasonable rental, in a central position of the city. The efforts to meet this legiti-

mate demand will not be slackened, and the Directors entertain hopes that the problem will be solved in a satisfactory manner at an early date.

The new building at St. Hyacinthe is all but completed and will be ready for occupation early in July. It has been carefully examined by a Committee of the Board, and seems well planned to meet the special wants of that Branch.

Designs for a building in the town of Granby are in course of preparation, which will, the Directors believe, prove an ornament to that flourishing town and enable the business to be carried on with increased security and success.

The Directors are beginning to find that the growth of the Bank's business demands, or will soon demand, an increase in the Capital, and a by-law on this subject will be submitted to the Shareholders at this meeting, and their approval asked.

The Directors feel, as before stated, that caution is very necessary, in such times as the present, when actual war, and threats of war, are prevalent in various parts of the world.

It is to be hoped that the South African war will soon be at an end, and that a closer union of the several parts of our great Empire will ensue from the recent costly expenditure of treasure and blood in South Africa.

The lesson, though so costly, will no doubt prove a salutary one, and has already shown that the English race, throughout the world, is one in mind and feeling, that the blessings conferred on Canada, Australia, New Zealand, and the South African colonies are not to be broken up and destroyed by an oligarchy, uncivilized, arbitrary and overbearing.

Although this is a purely business meeting, and Banking Institutions are non-political, either in a broad or narrow sense, it is impossible, with the experience of the past few

months before us, not to feel that our own Country has done nobly.

Almost every great institution has shown its appreciation of the wisdom and action of the Mother Country in undertaking this war, by its contributions to the Patriotic Fund, and the Directors of this Bank, have felt that they would be upheld by the Shareholders in subscribing thereto as they have done.

In conclusion the Directors have only to state that the usual inspection of the Branches has been made, with the usual satisfactory results ; that the examination of the work at the Head Office has had the personal attention of the Sherbrooke Board, assisted by some of the other Directors ; and that the Officers of the Staff have, during the past year, as in all previous years, performed their duties to the satisfaction of the Board.

The Directors cannot close this Report without alluding to the lamentable decease of their former colleague and great friend, Thomas J. Tuck, Esq. He was always willing and ready to devote time and attention to the affairs of this Bank, and his long experience in this his native district and country, made his advice always safe and valuable. The Directors, by the appointment of Mr. Mitchell to fill the place of Mr. Tuck, have secured a worthy successor to their departed friend.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1900

Balance at Credit of Profit and Loss brought forward from May 15th, 1899.....	\$41,994.72
Profit of Head Office and Branches after deducting charges of Management, Appropriation towards Pension Fund, Interest due Depositors, and provision for bad and doubtful debts	154,411.42
	<hr/>
	\$196,406.14

Brought Forward..... \$196,406.14
 APPROPRIATED AS FOLLOWS :

Div. of 3½ per cent. paid 2nd January, 1900.	\$52,500.00	
Div. of 3½ per cent. payable 3rd July, 1900..	52,500.00	
Bonus of 1 per cent. to Shareholders, payable		
3rd July, 1900	15,000.00	
Transferred to Reserve Fund.....	50,000.00	170,000.00
Balance carried forward.....		<u>\$26,406.14</u>

Respectfully submitted,

R. W. HENEKER,

President.

The President then addressed the meeting, referring to the various items of the Statement, the general business of the Bank, and the outlook for the future, the proposed increase of Capital, and closed by moving the adoption of the Report, seconded by Hon. M. H. Cochrane.

After remarks by the General Manager and Messrs. Wm. Morris, F. C. Thompson and others, in reference to the satisfactory results of the year, and the proposed increase of Capital the Report was adopted.

On motion, a by-law was unanimously passed to increase the Capital of the Bank in the sum of \$500,000, making the authorised Capital \$2,000,000.

The thanks of the Shareholders were then voted the President and Directors, and also to the General Manager, Managers and other Officers of the Bank.

The election for Directors was then proceeded with, and upon counting the ballots the Scrutineers reported the following Shareholders elected, viz : R. W. Heneker, Hon. M. H. Cochrane, J. N. Galer, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, and J. S. Mitchell, being the old Board. The meeting then adjourned.

At a meeting of the new Board the same day, R. W. Heneker was re-elected President, and M. H. Cochrane Vice-President.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 41 YEARS—1860 TO 1900 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,436	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	466,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	497,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & $\frac{1}{2}$ % Bonus	4,384,005	895,924	6,452,914	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828



S. H. C. MINER.
Vice-President 1906-1911.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$2,000,000.00
CAPITAL PAID UP,	-	-	\$1,733,945.00
RESERVE FUND,	-	-	- \$1,050,000.00

DIRECTORS.

R. W. HENEKER, - - PRESIDENT.

HON. M. H. COCHRANE, VICE-PRESIDENT.

ISRAEL WOOD, GARDNER STEVENS,

C. H. KATHAN, J. N. GALER,

N. W. THOMAS, J. S. MITCHELL,

H. B. BROWN, K. C.

WM. FARWELL - GENERAL MANAGER

J. MACKINNON, - ASS'T GENERAL MANAGER

S. EDGEELL, LOCAL MANAGER. S. F. MOREY, INSPECTOR.

1901.

BRANCHES.

QUEBEC :

BEDFORD	E. W. MORGAN	Manager
COATICOOK	E. N. ROBINSON,	"
COWANSVILLE	H. F. WILLIAMS,	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	A. W. WATSON,	"
MAGOG	E. P. OLIVIER	"
MONTREAL	B. AUSTIN,	"
ORMSTOWN	W. H. HARGRAVE,	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ROCK ISLAND	S. STEVENS,	"
SHERBROOKE	S. EDGELL	"
WATERLOO	W. I. BRIGGS	"

BRITISH COLUMBIA :

GRAND FORKS	W. SPIER,	Manager
PHOENIX	F. W. SLACK,	Act'g "

CORRESPONDENTS.

BANK OF MONTREAL, AND BRANCHES, IN	CANADA
NATIONAL BANK OF SCOTLAND, LONDON,	ENGLAND
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
FIRST NATIONAL BANK,	PORTLAND, ME.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1901.

LIABILITIES.

Capital Paid up.....		\$1,733,945.00
Reserve Fund.....	\$1,050,000.00	
Balance Profits carried forward.....	41,063.87	
Dividend No. 83 of 3½ per cent., payable 2nd July next.....	60,050.36	
Bonus to Shareholders of 1 per cent.... payable 2nd July next.....	17,157.22	
Dividends unclaimed.....	3,995.58	1,172,267.03
		<hr/>
		\$2,906,212.03
Notes of the Bank in Circulation.....	1,224,100.00	
Deposits payable on demand.....	942,029.29	
“ “ after notice.....	4,901,721.65	
Due Banks in Foreign Countries.....	15,000.00	
Other Liabilities.....	20,430.49	7,103,281.43
		<hr/>
		\$10,009,493.46

ASSETS.

Specie.....	134,594.74	
Dominion Notes.....	119,261.00	
Bills and Cheques on other Banks.....	40,875.98	
Due from other Banks in Canada..	762,999.90	
Due from other Banks not in Canada...	512,515.07	
Due from Banks in the United Kingdom	26,418.08	
Dominion and Provincial Government Debentures or Stocks.....	180,073.42	
Municipal Debentures.....	250,500.00	
Railway and other Bonds and Stocks...	103,012.67	
Call loans on Bonds and Stocks.....	40,855.67	
Total Assets immediately available....		<hr/> 2,171,106.53
Deposits with Dominion Government for security of Bank Note Circulation....	70,000.00	
Current Loans, Discounts and Advances to the Public.....	7,452,471.14	
Real Estate, other than Bank Premises..	20,923.13	
Debts Secured by Mortgages.....	49,693.54	
Loans Overdue, all Loss provided for...	38,370.15	
Other Assets.....	22,222.84	
Bank Premises and Bank Furniture....	184,706.13	7,838,386.93
		<hr/>
		\$10,009,493.46

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-SECOND ANNUAL

MEETING OF THE SHAREHOLDERS HELD

ON JUNE 5TH, 1901.

The forty-second annual general meeting of shareholders of the Eastern Townships Bank was held at their Banking House in the City of Sherbrooke on Wednesday, 5th June instant, there being a fair number present.

Notice of meeting having been read, the President, R. W. Heneker, Esq., took the chair ; J. Mackinnon, Ass't Gen'l Manager, was appointed Secretary of the meeting.

Messrs. John P. Wells and David Williams were elected as scrutineers of votes. Minutes of last annual meeting were then read and confirmed, after which the President, on behalf of the Board, submitted their annual

REPORT

The Directors, at the close of the 42nd year of the Bank's operations, have much pleasure in submitting to the Shareholders, the Balance Sheet of the Assets and Liabilities of the Bank, together with the Profit and Loss Statement showing the results of the past year's business. They are gratified at being able, not only to declare the usual dividends, but to recommend that a bonus of one per cent on the Capital Stock be distributed on the 2nd July next.

The year has been full of interest, as will be seen by the following few remarks, and they trust the Shareholders will be satisfied that both the Administration and the Management have been judicious, as well as profitable.

As regards the issue of new stock authorized a year ago, it was deemed advisable to call up at first only one half the amount authorized. This call was well met, the premiums being carried to the credit to the Reserve Fund. Due notice will be given of the Second Call.

The Directors have the pleasure to report that acting under the authority of the Shareholders, they have opened a Branch in the City of Montreal, the Commercial Metropolis of the Dominion. There was some delay in this respect, which was due to the difficulty of securing a site suitable for the business at a moderate cost. The site chosen lies in the centre of the City, on St. James' Street, in the Temple Building, which is situated about midway between the Place d'Armes and Victoria Square. The office has been fitted up with all proper bank appliances, and it is hoped that any Shareholder visiting Montreal on business or pleasure will not fail to call at the office, where Mr. B. Austin, who has been selected as Manager, and his very competent staff will welcome him. It is very pleasant as well as satisfactory to record also that the Bank has received a cordial welcome from the other Banks doing business in that City.

With reference to the Branch at Grand Forks, in British Columbia, the Directors have the pleasure to report that the business in the mining region has proved successful, and has even demanded a sub-agency at Phoenix in the very centre of the district known as the "Boundary," of which Grand Forks is the Capital. This region is in direct communication with New York by rail, as well as with all parts of Canada by the Canadian Pacific. The outlook for business is very good, and the development of the mines, which is steadily increasing, promises a good field for business.

The Directors have now to allude to a less pleasing, and indeed regrettable matter in the long illness of the General Manager, Mr. William Farwell. It became apparent throughout the early part of last year (1900) that change and relaxation from business were needed for Mr. Farwell, and

he was consequently given leave of absence until the 1st May, which leave has since then been extended. From the latest accounts his health is improved so that he has hopes of being back in Canada shortly. The Directors feel sure, that sympathy on the part of the Shareholders for Mr. Farwell will not be wanting, coupled with the hope of his steady recovery.

The business of the Bank, in the meantime, has not suffered under the able administration of Mr. James MacKinnon, formerly Manager of the Cowansville Branch, who has been appointed as Assistant General Manager.

The new Branch Office at Granby has been completed and inspected and is well adapted for the business of that important town of the Eastern Townships.

It is with great pleasure that the Directors have to report their entire satisfaction with the Branch Managers, and other officers of the Bank. The year, an unhealthy one, has told on some of the officers, notably on Mr. S. F. Morey, the Chief Accountant and Inspector, who under the advice of his physician was induced to try a change of climate after a serious attack of typhoid fever. In his absence the duties of accountant were successfully performed by Mr. N. Dining. Mr. Morey has since been able to resume his duties.

The various Branches have been duly inspected and the Directors have as usual audited the accounts, and examined the securities at the Head Office.

In conclusion and in addition to the foregoing remarks on the business of the past year, the Directors feel that this report should not omit a reference to the great political event, the death of the late Queen Victoria, which cast a gloom over the whole British Empire and elicited the heartfelt sympathy of the entire civilized world.

The Queen Empress throughout her whole reign was never forgetful of the duties of her high office, and her domestic virtues as well as her fulfilment of other public acts

will never be forgotten, marking her reign as the brightest and most important in British History.

Fortunately for the British Empire she has left as her successor a man of like kindly disposition, experienced in life, and ever ready to minister to all who need sympathy.

Loyalty to the late Queen will not be lacking to her successor, King Edward VII.

GOD SAVE THE KING.

Respectfully submitted.

R. W. HENEKER,

President.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1901

Balance at Credit of Profit and Loss, brought forward from May 15th, 1900.....	\$26,406.14
Profit of Head Office and Branches, after deducting charges of Management, Interest due depositors, and provision for bad and doubtful debts.....	202,868.46
Premium paid on new issue of Capital Stock.....	93,578.00
	<hr/>
	\$322,852.60

APPROPRIATED AS FOLLOWS :

Dividend of 3½ per cent. paid 2nd Jan. 1901	\$ 54,581.15
Dividend of 3½ per cent. payable 2nd July, 1901.....	60,050.36
Bonus of 1 per cent. to Shareholders, payable 2nd July, 1901.....	17,157.22
Transferred to Reserve Fund.....	150,000.00
	<hr/>
	281,788.73
Balance carried forward.....	<hr/>
	\$41,063.87

WM. FARWELL,
General Manager.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 42 YEARS 1860 TO 1901 INCLUSIVE.
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415		6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,436	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	466,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	497,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & 1/2% Bonus	4,384,005	895,924	6,452,914	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1% Bonus	5,843,751	1,224,100	7,581,390	2,171,106



GRANBY

EASTERN TOWNSHIPS BANK

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$2,000,000.00
CAPITAL PAID UP,	-	-	-	\$1,955,225.00
RESERVE FUND,	-	-	-	\$1,200,000.00

DIRECTORS.

WILLIAM FARWELL. - - PRESIDENT.

HON. M. H. COCHRANE,, - VICE.PRESIDENT.

ISRAEL WOOD, GARDNER STEVENS,

C. H. KATHAN, J. N. GALER,

N. W. THOMAS, J. S. MITCHELL,

H. B. BROWN, K.C.

JAS. MACKINNON, - GENERAL MANAGER.

S. EDGELL, LOCAL MANAGER. S. F. MOREY, INSPECTOR.

BRANCHES.

QUEBEC :

BEDFORD	W. H. HARGRAVE	Manager
COATICOOK	E. N. ROBINSON	"
COWANSVILLE	H. F. WILLIAMS	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	A. W. WATSON	"
MAGOG	W. D. FRASER	"
MONTREAL	B. AUSTIN	"
ORMSTOWN	E. W. MORGAN	"
RICHMOND	W. L. BALL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
ROCK ISLAND	S. STEVENS	"
WATERLOO	W. I. BRIGGS	"
WINDSOR MILLS	E. P. OLIVIER	"

BRITISH COLUMBIA :

GRAND FORKS	W. SPIER,	Manager
PHOENIX	N. H. SLACK,	Acting Manager

CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES IN CANADA

NATIONAL BANK OF SCOTLAND, LONDON, ENGLAND

NATIONAL EXCHANGE BANK BOSTON, MASS.

NATIONAL PARK BANK NEW YORK

FIRST NATIONAL BANK, PORTLAND, ME.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

May 15th, 1902.

LIABILITIES

Capital Paid up.....		\$1,955,225.00
Reserve Fund.....	\$1,200,000.00	
Balance Profits carried forward.....	35,440.29	
Dividend No.85 of 3½ per cent., payable 2nd July next.....	65,796.20	
Bonus to Shareholders of 1 per cent., payable 2nd July next.....	18,117 80	
Dividends unclaimed.....	2,677.43	
Reserved on account of rebate on Bills Discounted unmatured.....	35,000.00	1,357,031.72
		<hr/> 3,312,256.72
Notes of the Bank in Circulation.....	\$1,358,734.00	
Deposits payable on Demand.....	1,257,259.83	
“ “ after Notice.....	5,572,954.07	
Due Banks in Canada.....	7,944.32	
“ “ “ Foreign Countries....	1,908.49	8,198.800.71

ASSETS

		<hr/> \$11,511,057.43
Specie.....	\$132,870.98	
Dominion Notes.....	140,615.00	
Bills and Cheques on other Banks.....	108,434.61	
Due from other Banks in Canada.....	395,023.80	
Due from other Banks not in Canada...	471,248.96	
Due from Banks in the United Kingdom	5,315.85	
Dominion and Provincial Government Securities	180,073.42	
Canadian Municipal Debentures.....	262,090.00	
Railway and other Bonds and Stocks..	125,262.67	
Call loans on Bonds and Stocks.....	571,062.87	
Total Assets immediately available		<hr/> 2,391,998.16
Deposit with Dominion Government for security of Bank Note Circulation....	72,047.50	
Current Loans, Discounts and Advances to the Public.....	8,652,480.28	
Real Estate, other than Bank premises.	29,212.08	
Debts Secured by Mortgages.....	61,428.14	
Loans Overdue, all Loss provided for..	66,347.56	
Bank Premises and Furniture, including safes and vaults.....	204,489.71	
Other Assets and Items in transitu....	33,054.00	9,119,059.27
		<hr/> \$11,511,057.43

WM. FARWELL,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-THIRD ANNUAL MEETING OF THE SHAREHOLDERS HELD ON JUNE 4TH, 1902.

The Forty-third annual meeting of the Shareholders of the Eastern Townships Bank was held in the Board Room of the Bank at Sherbrooke, on Wednesday, 4th June. On the motion of Major Wood, seconded by J. N. Galer, R. W. Heneker, Esq., the President, was voted to the chair. On the motion of H. B. Brown, Mr. Jas Mackinnon, Assistant General Manager, acted as secretary. On motion of Mr. Gardner Stevens, seconded by Mr. Jas. S. Mitchell, Rev. Dr. Scarth and Mr. M. Read were appointed scrutineers.

REPORT.

The President then read the Forty-third Annual Report of the Directors to the Shareholders on the operations of the year ending May 15th, 1902, which is as follows :

The Directors, at the close of another year's business, have great pleasure in presenting what they consider to be a satisfactory statement of results as embodied in the Profit and Loss statement and Balance Sheet hereto annexed.

The net profits for the year, after deducting all charges, including interest paid to depositors, charges for management, and making ample provision for bad and doubtful debts, amount to \$234,361.68, as compared with \$202,868.46 in the previous year, being equal to 13% on the average capital of \$1,780,000.

At their meeting on the 2nd inst., the usual dividend of

3½% was declared, payable on the 2nd proximo, together with a bonus of 1%, thus making with the dividend paid in January last, 8% for the year. \$150,000, has been carried to the Reserve Fund, bringing that account up to \$1,200,000, equal to 60% of the Capital Stock ; and the sum of \$35,000, has also been appropriated for rebate on bills discounted unmatured, thus leaving a balance of profit carried forward of \$35,440.29. The above results will, the Directors believe, prove satisfactory to the Shareholders.

The Montreal Branch is making satisfactory progress and has fully justified the action of your Board in establishing an office in that great centre of trade of the Dominion. A new branch at Windsor Mills has been opened during the year.

The various branches of the Bank have been duly inspected, and the Directors have as usual audited the accounts and examined the securities at the Head Office.

Although forming no part of the business of this meeting, it will not be, in the opinion of the Directors, out of place, at this great crisis in the affairs of a sister colony to express their joy at the close of the war and the Proclamation of Peace. It is to be hoped that the lessons of the war may sink deep into the hearts of the people of South Africa, and that the varied races in the Colony may learn to value the advantages of the beneficent rule of the Mother Country and appreciate her generous action in granting them the blessings of freedom, with a Constitution under which self-government will form the principal ingredient. We look forward with hope for prosperity to South Africa under the British flag.

In conclusion, the Directors desire to express their entire gratification at the zeal and ability of the Bank Staff generally.

Respectfully submitted,

R. W. HENEKER,

President.

EASTERN TOWNSHIPS BANK.

395

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 15TH, 1902

Balance at Credit of Profit and Loss brought forward from May 15th, 1901.....	\$41,063.87
Profit of Head Office and Branches after deducting charges of Management, Interest due Depositors, and provision for bad and doubtful debts	234,361.68
Premium paid on new issue of Capital Stock	89,968.00
	\$365,393.55

APPROPRIATED AS FOLLOWS:

On Account of Rebate on Bills Discounted unmatured.....	\$ 35,000.00
Dividend of 3½ per cent. paid 2nd January 1902	61,039.26
Dividend of 3½ per cent., payable 2nd July, 1902.....	65,796.20
Bonus of 1 per cent. to Shareholders, payable 2nd July, 1902.....	18,117.80
Transferred to Reserve Fund.....	150,000.00
	329,953.26
Balance carried forward.....	\$35,440.29

WM. FARWELL,
General Manager.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 43 YEARS—1860 TO 1902 INCLUSIVE, AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & ½% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & ½% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000

Mr. Heneker then referred to the splendid statement, which it was his pleasure to submit, being the best year the bank has ever had. He alluded to the branch in Montreal and stated that the results had been good, and more than had been anticipated. This was also true of the results from the branches in British Columbia, at Grand Forks and Phoenix. He referred to his approaching departure for England, where it is his intention to spend the remainder of his days, and to the fact that this was the last meeting of Shareholders of the Bank that he would have the pleasure to preside over. He concluded by moving the adoption of the Report, seconded by Hon. M. H. Cochrane, Vice-President.

The motion was unanimously agreed to.

The meeting was addressed by Mr. Farwell, General Manager, who stated that he did not think the statement required much explanation. Certainly it did not require any apology, because it was the best statement that had ever been presented. He referred to the strong position the Bank stood in to-day, having gradually gone ahead, and to its having paid regular dividends exceeding 7 per cent., and also to the Reserve Fund, which equalled a little over 60 per cent. on the actual paid-up capital. He closed by alluding to the prosperity of the country, which was being shared in by the Bank.

Mr. Farwell was followed by Mr. A. C. Flumerfelt, local director of the Bank at Grand Forks, B.C., who spoke glowingly of that country, and the success of the branch at that point.

Several of the shareholders present, including Messrs. Spaulding of Burlington, Sherman of Newport, Read, Elkins and Rev. Mr. Scarth of Sherbrooke, addressed the meeting, expressing their pleasure at the very satisfactory statement presented.

It was moved by Mr. J. W. Woodside, seconded by Mr. A. C. Flumerfelt, "That the thanks of the Shareholders be tendered the President and the Directors for their attention

to the affairs of the Bank, and for the very satisfactory Report that they they have been able to submit to this meeting.”—Carried.

Moved by Mr. C. D. White, seconded by Mr. C. W. Cate, “That the thanks of the Shareholders be tendered to the General Manager, Assistant General Manager and the Staff for the efficient manner in which they have performed their duties during the past year.”—Carried.

Deep regret was expressed at the retirement from the presidency of Mr. Heneker, who was the only surviving director of the original Board of Directors when the Bank was organized, and for twenty-eight years its President, and in appreciation of his services a handsome sum of money was voted to him.

A motion was unanimously passed acknowledging the great and important services which had been rendered to the Bank for forty-two years by Mr. Farwell, and in recognition of his work an annuity was voted to him ; and expression was also given to the sincere wish and hope that he might long be spared to fill the position of President of the Bank and give to the same the advantage of his great ability and experience.

The ballot resulted in the election of the following Directors : Hon. M. H. Cochrane, J. N. Galer, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, K. C., James S. Mitchell and William Farwell.

At a meeting of the new Board, Mr. William Farwell was elected President, and Hon. M. H. Cochrane, Vice-President, and Mr. James Mackinnon was appointed General Manager.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$3,000,000.00
CAPITAL PAID UP,	-		\$2,201,065.00
RESERVE FUND,	-	-	\$1,318,442.50

DIRECTORS.

WM. FARWELL, Esq. - - - PRESIDENT.

HON. M. H. COCHRANE, VICE-PRESIDENT.

N. W. THOMAS, ESQ., ISRAEL WOOD, ESQ.,

G. STEVENS, ESQ., THOS. J. TUCK, ESQ.,

J. S. MITCHELL, ESQ., C. H. KATHAN, ESQ.,

H. B. BROWN, ESQ., S. H. C. MINER, ESQ.,

J. MACKINNON, - GENERAL MANAGER

1903.

BRANCHES.

QUEBEC :

BEDFORD	W. H. HARGRAVE	Manager
COATICOOK	E. N. ROBINSON	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	A. G. CAMPBELL	"
FARNHAM	E. H. CAMPBELL	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	A. W. WATSON	"
MAGOG	W. D. FRASER	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	J. M. O'HALLORAN	"
ORMSTOWN	E. W. MORGAN	"
RICHMOND	A. S. RAIMBACH	"
ROCK ISLAND	S. STEVENS	"
SHERBROOKE	S. EDGELL	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
SUTTON	R. P. BUZZELL	"
WATERLOO	W. I. BRIGGS	"
WEST SHEFFORD	G. E. FORREST	"
WINDSOR MILLS	E. L. SLEEPER	"

BRITISH COLUMBIA :

GRAND FORKS	WM. SPIER	Manager
PHOENIX	N. H. SLACK	Acting "

MANITOBA :

WINNIPEG	W. L. BALL	Manager
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CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES	CANADA
CANADIAN BANK OF COMMERCE AND BRANCHES	"
MOLSONS BANK AND BRANCHES	"
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK, N. Y.
FIRST NATIONAL BANK	PORTLAND, ME.
NATIONAL BANK OF SCOTLAND	GREAT BRITAIN

GENERAL STATEMENT.

15th May, 1903.

LIABILITIES

Capital Paid up.....	\$2,201,065.00	
Reserve Fund.	1,318,442 50	
Balance Profits carried forward.....	67,486.04	
Dividend No. 87 of 4 per cent per annum payable 2nd July next.....	\$82,983.70	
Bonus to Shareholders of ½ per cent, payable 2nd July next.....	10,142.50	
Dividends unclaimed.....	3.285.78	
Reserved on account of rebate on Bills Discounted unmatured.....	35,000.00	
	<hr/>	1,517,340.98
		\$3,718,405.52
Notes of the Bank in Circulation.....	\$1,427,550.00	
Deposits payable on demand.....	1,307,729.15	
Deposits payable after notice.....	6,247,441.36	
Due Banks in Canada.....	18,734.46	
Due Banks in United Kingdom.....	90,184.03	
Items in transitu between Branches....	22,566.69	9,114,205 69
	<hr/>	\$12,832,611.21

ASSETS

Specie.....	\$144,799.73	
Dominion Notes.....	197,276.25	
Bills and Cheques on other Banks.....	132,560.87	
Due from other Banks in Canada.....	281,006.75	
Due from other Banks not in Canada....	744,314 60	
Loans to Banks in Canada secured.....	78,344.70	
Dominion and Provincial Government Securities	180,073 42	
Canadian Municipal Debentures.....	272,200.00	
Railway and other Bonds and Stocks....	87,262.67	
Call loans and Bonds and Stocks.....	1,144,557.28	
Total Assets immediately available	<hr/>	\$3,262,396.27
Deposits with Dominion Government for security of Bank Note Circulation....	80,000.00	
Current Loans, Discounts and Advances to the Public.....	9,053,392.69	
Real Estate, (other than Bank Premises)	27,674.00	
Mortgages on Real Estate sold by the Bank.....	58,676.17	
Loans Overdue (All Loss provided for)	34,439.64	
Bank Premises and Furniture, including Safes and Vaults	305,804.64	
Other Assets	10,227.80	9,570,214 94
	<hr/>	\$12,832,611.21

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

FORTY-FOURTH ANNUAL REPORT SUBMITTED AT THE GENERAL MEETING OF THE SHARE- HOLDERS HELD ON 3RD JUNE, 1903.

The Directors have much pleasure in submitting the forty-fourth annual report covering the year ending 15th May, 1903, together with statement of Assets and Liabilities, and also Profit and Loss Statement showing results of the year's operations.

The earnings of the Bank for the past year have been larger than those for any previous year, but the Directors have thought it prudent, and consistent with conservative banking principles, after providing for bad and doubtful debts, to appropriate an amount to meet possible depreciation in the value of securities held by the Bank, leaving to be carried forward after paying the dividend and bonus \$67,486.04, a larger balance than usual.

A dividend at the rate of eight per cent. per annum has been declared for the past half year, which rate the Directors hope to be able to continue. They have also provided for a Bonus of half of one per cent. to make the previous half year equal thereto.

The Premium received on New Stock has been added to Reserve Fund, bringing that account up to \$1,318,442.50.

\$500,000 of the New Capital authorized by special meeting of Shareholders held February 10th, 1903, has been well taken up, the first call of ten per cent. made payable 1st of May instant has resulted in two-fifths of the amount

of total issue—Capital and Premium—being paid in response thereto.

The deposits have increased nearly three quarters of a million dollars during the year, showing a steady growth in the wealth of our people. The circulation has also been in excess of last year.

During the year Branches of the Bank have been established at the following places, viz :—Winnipeg, Man. Montreal East, Montreal West, St. Johns, Que., Sutton, Farnham, Danville, St. Joseph, (Beauce County), and West Shefford.

With respect to Winnipeg, your Directors have for some time past had the subject of extension into Manitoba and the North-West under consideration, and in view of the great influx of emigration from England and abroad, as well as from the Western States, it was decided the present was an opportune time for carrying out the project, first locating at Winnipeg, and gradually extending from there into the North-West as opportunities and good openings offered.

It has been found necessary to considerably increase the Bank Premises account by purchase of properties in Montreal and Winnipeg, in order to secure advantageous, permanent positions. The amount will later on have to be increased to meet the requirements of the Bank and give Offices somewhat on a par with the other Banks, due economy, however, will be exercised in all expenditures.

Business throughout the country on the whole has been prosperous, and manufacturing enterprises fairly successful ; Lumber and Pulp Wood, etc., has been in good demand, and at satisfactory prices. Mining in the province has been carried on steadily, and it is believed with good results. In British Columbia labor disturbances have seriously crippled operations in the mines, but the outlook is now much better and greater developments may be looked for. The Granby Company, with whom we do business at Grand Forks and Phoenix, have been less affected than others, however, having

been able to keep running continuously, but on a diminished scale. The present outlook for the Company is very bright.

The Dairy Industry, so important in this Province, continues to prosper, and is increasing year by year, due care, however, must be exercised to manufacture the highest grade and to encourage this, your Directors last year gave special prizes through our District Exhibition, open to the whole Dominion, for butter and cheese for export. The results were so satisfactory that they have continued the grant for the present year.

During the year a vacancy was created in the Board by the resignation of Director J. N. Galer, owing to ill health. During the twenty-five years Mr. Galer has been a member of the Board he has rendered valuable service, and will be greatly missed. The Directors were fortunate in being able to secure the services of Mr. S. H. C. Miner, of Granby to replace him. Mr. Miner is one of Canada's representative business men, having promoted and carried on many large and important enterprises which to-day are among the most successful in the country. He has always been a staunch friend of the Bank, and will add strength to the Board wherever he is known.

All the offices of the Bank have been inspected during the year.

In conclusion the Directors desire to record their satisfaction with the zeal and attention shown by the General Manager, Managers, Inspector and other Officers, in their close attention to the interest of the Bank.

Respectfully submitted,

WILLIAM FARWELL

President.

EASTERN TOWNSHIPS BANK.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING MAY 15TH, 1903.

Balance at Credit of Profit and Loss, brought forward from May 15th, 1902.....	\$35,440.29
Profit of Head Office and Branches, after deducting charges of Management, Interest due depositors, and provision for bad and doubtful debts.....	201,390.52
Premium paid on new issue of Capital Stock.....	118,442.50
	<hr/> \$355,273.31

APPROPRIATED AS FOLLOWS :

Dividend of 3½ per cent. paid 2nd Jan. 1903.	69,355.82
Dividend of 4 per cent. payable 2nd July 1903	82,983.70
Bonus of ½ per cent. to Shareholders, payable 2nd. July 1903.....	10,142.50
Transferred to Reserve Fund.....	118,442.50
Bonus to Employees and Shareholder's vote to ex-President Heneker	6,862.75
	287,787.27
Balance carried forward.....	<hr/> <u>\$67,486.04</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	\$3,000,000.00
CAPITAL PAID UP,	-	-	\$2,426,780.00
RESERVE FUND,	-	-	\$1,450,000.00

DIRECTORS.

WM. FARWELL, - - PRESIDENT.

ISRAEL WOOD, VICE-PRESIDENT.

C. H. KATHAN,	J. S. MITCHELL,
N. W. THOMAS,	S. H. C. MINER,
H. B. BROWN, K. C.,	A. C. FLUMERFELT,
G. STEVENS,	FRANK GRUNDY,

JAS. MACKINNON - GENERAL MANAGER

S. F. MOREY INSPECTOR OF BRANCHES

E. W. FARWELL, ASST. INSPECTOR

1903.

BRANCHES.

QUEBEC :

BEDFORD	W. H. HARGRAVE	Manager
COATICOOK	E. N. ROBINSON	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	A. G. CAMPBELL	"
FARNHAM	E. H. CAMPBELL	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	A. W. WATSON	"
MAGOG	W. D. FRASER	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	J. M. O'HALLORAN	"
ORMSTOWN	E. W. MORGAN	"
RICHMOND	A. S. RAIMBACH	"
ST. HYACINTHE	J. LAFRAMBOISE	"
SHERBROOKE	S. EDGELL	"
ST. JOSEPH BEAUCE	A. O. LEDOUX	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. GAB. DE BRANDON	A. LOCAS	"
SUTTON	R. P. BUZZELL	"
ROCK ISLAND	SIDNEY STEVENS	"
WATERLOO	W. I. BRIGGS	"
WEST SHEFFORD	G. E. FORREST	"
WINDSOR MILLS	E. L. SLEEPER	"

BRANCHES (Continued).

BRITISH COLUMBIA :

GRAND FORKS	W. SPIER,	Manager
PHOENIX	N. H. SLACK,	Acting Manager

MANITOBA :

WINNIPEG	W. L. BALL	Manager
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CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES,	CANADA
MOLSON'S BANK “ “ “	
CANADIAN BANK OF COMMERCE AND BRANCHES	
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	“ “
KNAUTH, NACHOD & KUHNE	“ “
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK ALBANY, N. Y.	
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

14th November, 1903.

LIABILITIES.

Capital Paid up.....		\$2,426,780.00
Reserve Fund.....	\$1,450,000.00	
Balance Profits carried forward.....	27,647.57	
Dividend No. 88 of 4 per cent., payable		
2nd Jan. next.....	95,200.22	
Dividends unclaimed.....	2,337.50	
Reserved on account of rebate on Bills		
Discounted, unmatured	35,000.00	1,610,185.29
		<hr/>
		\$4,036,965.29
Notes of the Bank in Circulation.....	2,021,495.00	
Deposits payable on demand.....	1,776,050.71	
“ “ after notice.....	6,801,998.44	10,599,544.15
		<hr/>
		\$14,636,509.44

ASSETS.

Specie.....	155,661.59	
Dominion Government Notes.....	613,727.00	
Notes of and Cheques on other Banks..	375,823.44	
Due from other Banks in Canada..	231,205.61	
Due from other Banks in the United Kingdom.....	340,186.48	
Due from other Banks in foreign Countries.....	322,911.17	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures.....	305,948.63	
Railway and other Bonds and Stocks...	87,262.67	
Call loans on Bonds and Stocks.....	709,434.07	
Total Assets immediately available....		<hr/>
		3,309,234.08
Deposits with Dominion Government for security of Bank Note Circulation....	85,000.00	
Current Loans, Discounts and Advances to the Public.....	10,772,325.95	
Loans Overdue, all Loss provided for...	38,757.53	
Real Estate, other than Bank Premises..	26,180.90	
Mortgages on Real Estate sold by the Bank.....	57,944.57	
Bank Premises and Furniture including safes and vaults.....	332,166.51	
Other Assets.....	14,899.90	11,327,275.36
		<hr/>
		\$14,636,509.44

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK,

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-FIFTH ANNUAL
GENERAL MEETING OF THE SHAREHOLDERS,
HELD ON WEDNESDAY, 2ND, DECEMBER, 1903.

The Forty-fifth Annual Meeting of the shareholders of the Eastern Townships Bank was held in the Board Room of the Bank at Sherbrooke, at 2 o'clock, on Wednesday, the 2nd December. There were present a good number of Shareholders. The President took the chair and the General Manager acted as Secretary. Mr. C. W. Cate and Mr. Wm. Morris were appointed scrutineers of votes.

The minutes of the last annual meeting having been read, the President on behalf of the Directors, read the following

REPORT.

In consequence of the change of date of holding the Annual Meeting from the month of June, as heretofore, to December, the statements submitted herewith cover the operations of the Bank for six months only.

As foreshadowed in the last Annual Report, your Directors have decided to apply \$65,000 of the amount brought forward in May last in reduction of values.

The result of the business for the half year has been most satisfactory, showing a balance of profit after providing for current expenses, interest on deposits and all current losses, of \$144,359.75. Out of this amount a Dividend at the rate of eight per cent. per annum has been declared, payable on the 2nd of January next, and sufficient with the balance of premium on new Stock, has been transferred to Reserve Fund to bring that account up to \$1,450,000 leaving a balance to carry forward of \$27,647.57. All the offices have given satisfactory returns.

The crops, contrary to indications in the early part of the Season, turned out very satisfactorily, and prices for produce, both of dairy and field, are fully equal to those of previous years. The lumber business, however, owing to the severe drought which prevailed and prevented bringing logs to the mills, has been very bad, what small stocks were on hand have realized better prices, but it really means in most cases the loss of one year's business, if not more, by loss of logs as well.

The large addition to Head Office building is nearly completed, and we have now a fine and commodious Office enabling the management to handle the increasing business much more satisfactorily. New buildings are under construction at Richmond and Huntingdon and will be ready for occupation it is hoped early in the year. Plans for Coat-cook and Rock Island are prepared and work on them will be commenced early in the Spring ; plans are also being prepared for the Montreal building.

It is with deep regret that we have to refer to the loss the Bank and the Eastern Townships have sustained by the death of your Vice-President, the late Senator Cochrane, which occurred on the twelfth of August last. He was a member of the Board for twenty-seven years, for eleven of which he held the office of Vice-President. He always took a great interest in the success of the Bank, bringing his wide and varied business experience and good judgment to bear on all questions affecting its interest. His place on the Board, and in the country cannot readily be filled.

In conclusion, your Directors have much pleasure in recording their satisfaction with the zeal and attention shown by the General Manager, the Inspector, the Managers, and all other Officers of the Bank in their close attention to the interests committed to their charge.

Respectfully submitted,

WILLIAM FARWELL,

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR HALF YEAR
ENDING NOV. 14TH, 1903.

Balance at Credit of Profit and Loss, brought forward from May 15th, 1903.....	\$67,486.04
Profit of Head Office and Branches, after deducting charges of Management, Interest due depositors, and provision for bad and doubtful debts.....	144,359.75
Premium paid on new issue of Capital Stock.....	112,857.50
	<u>\$324,703.29</u>

APPROPRIATED AS FOLLOWS :

Dividend of 4 per cent payable 2nd Jan 1904	\$ 95,200.22
Transferred to Reserve Fund.....	131,557.50
Applied in reduction of value of Assets....	65,000.00
Bonus to Employees.....	5,298.00
	<u>297,055.72</u>
Balance carried forward.....	<u>\$27,647.57</u>

J. MACKINNON,
General Manager.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 44 YEARS—1860 TO 1903 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	38,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	689,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,008
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & 1% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8% Bonus	8,578,049	2,021,495	10,869,026	3,309,234

The President addressed the meeting, and after reviewing the report in detail, spoke of the business of the Bank in general, and of the prosperity of the country, closing by moving the adoption of the report, seconded by Director Wood.

The General Manager and some of the shareholders also addressed the meeting.

A motion was made and passed increasing the appropriation for the remuneration of the Directors.

A by-law was also passed increasing the number of Directors from nine to ten.

Votes of thanks were passed to the President and Directors for their attention to the affairs of the Bank, also to the General Manager and staff for the efficient manner in which they have performed their duties during the past year.

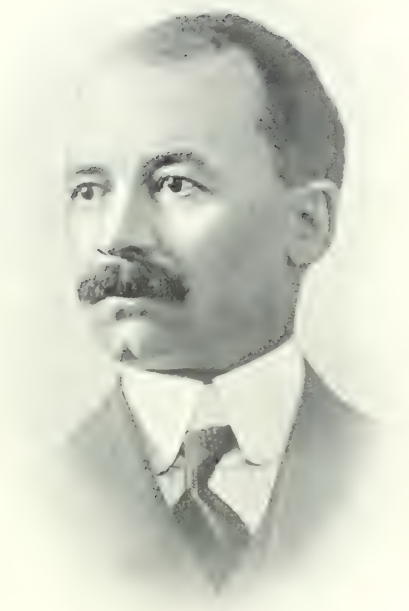
The ballot resulted in the election of the following

DIRECTORS.

Wm. Farwell, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, K. C., Jas. S. Mitchell, S. H. C. Miner, A. C. Flumerfelt, Frank Grundy.

At a meeting of the new Board Mr. Wm. Farwell, was re-elected President and Mr. Israel Wood was elected Vice-President.

J. MACKINNON,
General Manager.



A. C. FLUMERFELT

Director 1903-1912.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$3,000,000.00

CAPITAL PAID UP, - - - \$2,472,340.00

RESERVE FUND, - - - - \$1,500,000.00

DIRECTORS.

WILLIAM FARWELL, - - PRESIDENT.

ISRAEL WOOD, - VICE-PRESIDENT.

C. H. KATHAN, J. S. MITCHELL,

N. W. THOMAS, S. H. C. MINER,

H. B. BROWN, K.C. A. C. FLUMERFELT,

G. STEVENS, FRANK GRUNDY,

JAS. MACKINNON - GENERAL MANAGER

S. F. MOREY, INSPECTOR OF BRANCHES

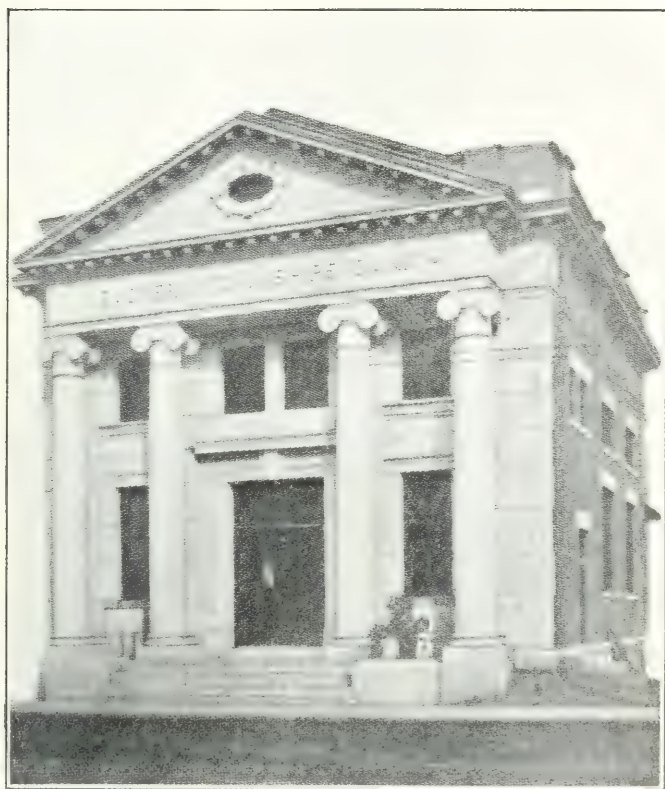
NEIL DINNING, ROUTINE INSPECTOR

E. W. FARWELL, ROUTINE INSPECTOR

BRANCHES.

QUEBEC :

BEDFORD	A. G. CAMPBELL,	Manager
COATICOOK	E. N. ROBINSON,	"
COOKSHIRE	D. H. TOLMIE,	Actg. "
COWANSVILLE	H. F. WILLIAMS,	"
DANVILLE	W. N. STONE,	"
FARNHAM	J. H. DOAK,	"
GRANBY	W. H. ROBINSON	"
HUNTINGDON	C. W. THOMAS,	"
LAKE MEGANTIC	G. M. THOMPSON,	Actg. "
LAWRENCEVILLE	P. S. WOOD.	" "
MAGOG	F. W. WHITE,	"
MANSONVILLE	W. LYNCH,	Actg. "
MONTREAL (Centre)	B. AUSTIN,	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	J. M. O'HALLORAN,	"
ORMSTOWN	E. W. MORGAN,	"
RICHMOND	A. S. RAIMBACH,	"
ROCK ISLAND	SIDNEY STEVENS,	"
ROXTON FALLS	D. PARMELEE,	Actg. "
SHERBROOKE	S. EDGELL	"
ST. GAB. DE BRANDON	A. LOCAS	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"



ROCK ISLAND

BRANCHES, (Continued).

ST. JOSEPH DE BEAUCE	A. O. LEDOUX,	Manager
SUTTON	R. P. BUZZELL,	"
THETFORD MINES	H. A. SHORT,	Actg. "
WATERLOO	A. W. WATSON,	"
WEST SHEFFORD	G. C. BORIGHT,	Actg. "
WINDSOR MILLS	E. L. SLEEPER,	"

BRITISH COLUMBIA :

GRAND FORKS	WM. SPIER,	Manager
PHOENIX	A. B. HOOD,	Act'g "

MANITOBA :

WINNIPEG	W. L. BALL,	Manager
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AGENCIES.

BELOEIL.	HOWICK,	LACOLLE,	VALCOURT,
CLARENCEVILLE,	IBERVILLE,	STANSTEAD.	

CORRESPONDENTS.

BANK OF MONTREAL, AND BRANCHES,	CANADA
MOLSONS BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N.Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN.
HONG KONG AND SHANGHAI BANKING CO.	ASIA.
CREDIT LYONNAIS	EUROPE.

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

15th November, 1904.

LIABILITIES

Capital Paid up.....		\$2,472,340.00
Reserve Fund.....		1,500,000.00
Balance Profits carried forward.....	30,217.74	
Dividend No. 90 at the rate of 8 per cent. per annum, payable 3rd. January next.	98,874.67	
Dividends unclaimed.....	2,925.96	
Reserved on account of rebate on Bills Discounted unmatured.....	35,000.00	167,018.37
		<u>4,139,358.37</u>
Notes of the Bank in Circulation.....	\$2,237,835.00	
Deposits payable on Demand.....	1,974,273.37	
“ “ after Notice.....	7,846,753.03	12,058,851.40

ASSETS

		<u>\$16,198,219.77</u>
Specie.....	\$147,849.82	
Dominion Government Notes.....	830,711.00	
Deposit with Dominion Government for security of Bank Note Circulation....	100,000.00	
Notes of and Cheques on other Banks..	497,676.61	
Due from other Banks in Canada.....	1,182,588.52	
Due from other Banks in the United Kingdom.....	126,147.39	
Due from other Banks in Foreign Coun- tries.....	885,058.53	
Dominion and Provincial Government Securities	167,073.42	
Canadian Municipal Debentures.....	282,000.00	
Railway and other Bonds and Stocks..	104,366.20	
Call loans on Bonds and Stocks.....	365,033.35	
Total Assets immediately available		<u>4,688,504.84</u>
Current Loans, Discounts and Advances to the Public.....	10,934,401.99	
Loans Overdue, (Estimated Loss pro- vided for).....	70,454.53	
Real Estate, other than Bank premises.	58,318.27	
Mortgages on Real Estate sold by the Bank.....	53,132.46	
Bank Premises and Furniture, including safes and vaults at Head Office and Branches.....	370,760.21	
Other Assets.....	22,647.47	
		<u>11,509,714.93</u>
		<u>\$16,198,219.77</u>

J. MACKINNON,

General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

HELD ON WED., 7TH DECEMBER, 1904.

The Forty-sixth Annual Meeting of the shareholders of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke, at 2 o'clock, on Wednesday, the 7th December.

In addition to the Directors there were present, Col. Williamson, Hon. John G. Foster, Capt. Bennetts, C. W. Cate, M. Crombie, H. D. Lawrence, M. Read, Hon. A. B. Nelson, C. H. Mansur, and others. The President took the chair, and the General Manager acted as secretary. Mr. C. W. Cate and Mr. C. H. Mansur, were appointed scrutineers of votes.

The minutes of the last annual meeting having been read, the President, on behalf of the Directors, read the following

REPORT.

The Directors beg to submit the forty-sixth Annual Report, with usual Balance Sheet and Statement, shewing results of operations for year ending fifteenth November last.

The net profit, after making provision for cost of management, interest to depositors, and current losses,—including \$7,970.20 by burglary at West Shefford Branch in October last,—amounts to \$306,968.57, or exceeding twelve per cent ; adding the premium from payment of new shares, and balance of profit brought forward in November last,

gives a balance available of \$357,611.14. From this amount the Directors, in a revaluation of the assets, have considered it expedient to take \$40,000 in reduction thereof ; and they have applied \$40,000 in reduction of bank premises, safes and furniture account. Payment of two semi-annual Dividends in July last and January next, at the rate of eight per cent. per annum, were provided for, and \$50,000 added to Reserve Fund, leaving a balance of \$30,217.74 to carry forward.

Business throughout the year at all the offices has been satisfactory, and the outlook for the future is very good.

During the year Branches have been established at Cookshire, Lake Megantic, Lawrenceville, Mansonville, Roxton Falls and Thetford Mines ; also, Sub-Agencies at Stanstead, Clarenceville, Valcourt and Beloeil, being points in the Townships considered necessary by the management to retain the business we have been so many years in building up. This makes thirty-nine offices altogether now operated by the Bank.

Deposits have increased during the year by \$1,242,977, now standing at \$9,821,026, and Loans at about eleven million dollars. All the offices have been duly inspected during the year as usual.

The burglary at West Shefford, while not serious in amount, is regrettable, as it is the first since the Bank commenced business in 1859.

In conclusion, the Directors desire to record their appreciation of the zealous and faithful manner in which all the officers of the Bank have performed their duties, and in recognition thereof the Directors have granted them a bonus.

Respectfully submitted,

WILLIAM FARWELL,

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDING NOV. 15TH, 1904.

Balance at credit of Profit and Loss brought forward from November 15, 1903.....	\$ 27,647 57
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, provision for bad and doubtful debts and for loss of \$7,970.20 by burglary at West Shefford.....	306,968.57
Premium paid on new issue of Capital Stock	22,995.00
	<u>\$357,611.14</u>

APPROPRIATED AS FOLLOWS :

Dividend paid 2nd July, 1904.....	98,518.73
Div. of 4 per cent. payable 3rd Jan 1905...	98,874.67
Transferred to Reserve Fund.....	50,000.00
Applied in reduction of value of Assets....	40,000.00
Applied in reduction of Bank Premises and Furniture	40,000.00
Balance carried forward.....	<u>\$30,217.74</u>

J. MACKINNON,
General Manager.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 45 YEARS—1860 TO 1904 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	38,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	396,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	681,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & 1% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8%	8,578,049	2,021,495	10,869,026	3,309,234
1904	2,472,340	1,500,000	8 p.c.	9,821,026	2,237,825	11,423,021	4,688,504

The President addressed the meeting and covered very fully every point in the report, closing by moving its adoption, seconded by Vice-President Wood.

The General Manager followed, reviewing the financial statement presented and outlining the policy of the Bank.

Mr. A. C. Flumerfelt, Western Director, gave some statistics of the development of the Western Country and referred to its great possibilities.

Hon. John G. Foster, United States Consul-General at Ottawa, a former director and present shareholder, referred to the pleasant associations of former days and congratulated the management on the Bank's continued prosperity as evidenced by the very satisfactory statement.

Votes of thanks were passed to the President and Directors for their attention to the affairs of the Bank, also to the General Manager and staff for the efficient manner in which they have performed their duties during the past year.

DIRECTORS.

The ballot resulted in the election of the following Directors : William Farwell, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, K.C., James S. Mitchell, S. H. C. Miner, A. C. Flumerfelt and Frank Grundy.

At a meeting of the new Board, Mr. William Farwell was re-elected President, and Major Wood Vice-President.

J. MACKINNON,
General Manager.



F. GRUNDY.

Director 1903-1910.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$3,000,000.00

CAPITAL PAID UP, - - - \$2,500,000.00

RESERVE FUND, - - - \$1,600,000.00

DIRECTORS.

WILLIAM FARWELL, - - PRESIDENT.

ISRAEL WOOD, - - VICE-PRESIDENT.

C. H. KATHAN, J. S. MITCHELL,

N. W. THOMAS, S. H. C. MINER,

H. B. BROWN, K.C. A. C. FLUMERFELT,

G. STEVENS, FRANK GRUNDY,

JAS. MACKINNON - GENERAL MANAGER

S. F. MOREY, INSPECTOR OF BRANCHES

NEIL DINNING, ROUTINE INSPECTOR

E. W. FARWELL, ROUTINE INSPECTOR

BRANCHES.

QUEBEC :

ACTON VALE	N. H. SLACK	Manager
BEDFORD	W. E. MOREHOUSE	"
COATICOOK	E. N. ROBINSON	"
COOKSHIRE	D. H. TOLMIE	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	P. P. JOHNSON	"
FARNHAM	J. H. DOAK	"
GRANBY	W. H. ROBINSON	"
HEMMINGFORD,	P. H. M. SOMERVILLE	"
HUNTINGDON	C. W. THOMAS	"
LAKE MEGANTIC	G. M. THOMPSON	"
LAWRENCEVILLE	P. S. WOOD	"
LENNOXVILLE	H. A. C. SCARTH	Actg. "
MAGOG	W. L. TEESON	"
MANSONVILLE	W. LYNCH	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	W. SMITH	Actg. "
ORMSTOWN	E. W. MORGAN	"
RICHMOND	A. S. RAIMBACH	"
ROCK ISLAND	SIDNEY STEVENS	"
ROXTON FALLS	N. H. SLACK	"
SHERBROOKE	S. EDGELL	"
ST. GAB. DE BRANDON	A. LOCAS	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH BEAUCE	A. O. LEDOUX	"
SUTTON	R. P. BUZZELL	"
THETFORD MINES	H. A. SHORT	"
WATERVILLE	J. T. THOMPSON	"



ORMSTOWN

BRANCHES (Continued).

WATERLOO	A. W. WATSON	Manager
WEST SHEFFORD	G. C. BORIGHT	"
WINDSOR MILLS	E. L. SLEEPER	"

BRITISH COLUMBIA :

GRAND FORKS	WM. SPIER	Manager
MIDWAY	E. C. MOE	Actg. "
PHOENIX	A. B. HOOD	"
VANCOUVER	W. H. HARGRAVE	"

MANITOBA :

WINNIPEG	W. L. BALL	Manager
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AGENCIES.

BELOEIL,	HOWICK,	LACOLLE,	SCOTSTOWN,
CLARENCEVILLE,	IBERVILLE,	NORTH HATLEY,	STANSTEAD,
	VALCOURT.		

CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES,	CANADA
MOLSON'S BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL EXCHANGE BANK.	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK,	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N. Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK,	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

LIABILITIES 15th November, 1905.

TO THE PUBLIC :

Notes of the Bank in Circulation.....	\$2,068,885.00	
Deposits payable on Demand.....	2,816,622.82	
“ “ after Notice.....	9,094,237.20	13,979,745.02

TO THE SHAREHOLDERS :

Capital Paid up		\$2,500,000.00
Reserve Fund.....		1,500,000.00
Reserved on account of rebate on Bills Discounted unmatured.....	35,000.00	
Dividend No. 92 at the rate of 8 per cent. per annum, payable 2nd January next.	100,000.00	
Dividends unclaimed.....	3,291.72	
Balance Profit carried forward.....	24,566.18	162,857.90
		<u>\$18,242,602.92</u>

ASSETS

Gold and silver coin.....	\$150,316.01	
Dominion Government Notes.....	1,087,022.00	
Deposit with Dominion Government for security of Bank Note Circulation....	103,000.00	
Notes of and Cheques on other Banks..	561,188.39	
Due from other Banks in Canada.....	1,004,848.39	
Due from other Banks in the United Kingdom.....	74,381.97	
Due from other Banks in Foreign Coun- tries.....	991,298.93	
Dominion and Provincial Government Securities	167,073.42	
Canadian Municipal Debentures.....	281,400.00	
Other Bonds, Debentures and Stocks...	135,556.20	
Call loans on Bonds and Stocks.....	297,189.76	
Total Assets immediately available		<u>4,853,285.07</u>
Current Loans, Discounts and Advances to the Public.....	12,740,039.34	
Loans Overdue, (Estimated Loss pro- vided for).....	80,219.48	
Real Estate, other than Bank premises.	45,613.46	
Mortgages on Real Estate sold by the Bank.....	66,401.60	
Bank Premises and Furniture, including safes and vaults at Head Office and Branches.....	427,751.65	
Other Assets.....	29,292.32	
		<u>13,389,317.85</u>
		<u>\$18,242,602.92</u>

J. MACKINNON,

General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-SEVENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON WEDNESDAY, 6TH. DECEMBER, 1905.

The Forty-seventh Annual Meeting of the shareholders of the Eastern Townships Bank was held at the head office of the Bank, in Sherbrooke, on Wednesday, December the 6th.

In addition to the Directors there were present :—Judge Alfred, Newport ; Hon. M. F. Hackett, Stanstead ; A. N. Thompson, Stanstead ; F. D. Spaulding, Burlington, Vt. ; F. M. Sherman, Newport ; Rev. A. Lee Holmes, Stanstead ; C. H. Mansur, Stanstead ; R. F. Morris, H. D. Lawrence, Col. Felton, Dr. F. J. Austin, J. W. Woodside, C. W. Cate, Captain Bennetts, C. D. White, of Sherbrooke, and others.

The President took the chair and the General Manager acted as secretary.

Mr. C. W. Cate and Mr. C. D. White were appointed scrutineers of votes.

The minutes of the last annual meeting having been read, the President, on behalf of the Directors, read the following

REPORT.

The Directors have much satisfaction in presenting to the Shareholders the accompanying Balance Sheet and Profit and Loss Statement, showing net earnings exceeding 12½ per cent. Considering the low rates of interest which have prevailed and the necessity of keeping a good cash reserve, they consider the results very satisfactory.

Out of the balance of Profit as shown, provision has been made for two semi-annual dividends at the rate of 8 per cent. per annum, one paid 2nd July last and the other payable 2nd January next.

\$100,000.00 has been carried to Reserve Fund, bringing the latter up to \$1,600,000.00, being 64 per cent. on the Capital, and leaving a balance of \$24,566.18 to be carried forward.

Branches have been established during the year at Actonvale, Hemmingford, Lennoxville, and Waterville, in the Province of Quebec, and at Vancouver and Midway in British Columbia, and sub-agencies have been opened at North Hatley and Scotstown in this Province. They are also about to open a Branch on Wellington Street in this City, in order to accommodate the growing business in that section. Previous Reports have foreshadowed the opening at Vancouver, and although the Branch has only been opened for a few months a very satisfactory business is being done. The Midway office is at a point where large expenditure is being made by the construction of two railways and is a central point in that section.

Deposits have increased during the year over \$2,000,000, being largely in excess of any previous year, showing the increasing growth and prosperity of the country, which is very gratifying.

In view of the increasing business of the Bank the Directors have decided to issue the balance of the \$1,000,000 capital authorized at the special meeting of Shareholders, in February, 1903, viz : \$500,000, the issue being at 60 premium, and the calls payable 10 per cent. monthly, commencing on second day of January next.

As there appears to be a pretty general desire by investors for more frequent division of Profits, your Directors have decided to meet this demand and in future Dividends will be paid quarterly, viz ; January, April, July and October.



VANCOUVER COTTON BUILDING

The Inspection of the various offices has been made as usual.

In conclusion the Directors have much pleasure in testifying to the zeal and fidelity of the General Manager, Inspectors, Managers and other officers of the Bank.

The whole respectfully submitted,

WM. FARWELL.

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDING NOV. 15TH, 1905.

Balance at credit of Profit and Loss brought forward from November 15, 1904.....	\$ 30,217.74
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, and provision for bad and doubtful debts.....	317,279.84
Premium paid on new issue of Capital Stock	14,055.00
	<u>\$361,552.58</u>

APPROPRIATED AS FOLLOWS :

Dividend of 4 per cent. paid 2nd July, 1905	99,986.40	
Div. of 4 per cent. payable 2nd Jan 1906...	100,000.00	
Transferred to Reserve Fund.....	100,000.00	
Applied in reduction of value of Securities	29,000.00	
Bonus to Employees	8,000.00	336,986.40
Balance carried forward.....		<u>\$24,566.18</u>

J. MACKINNON,

General Manager.

The President then addressed the meeting and covered very fully the points mentioned in the report, after which he moved its adoption, seconded by Vice-President Wood.

The General Manager followed, reviewing the financial statement, and spoke of the general prosperity which Canada had enjoyed during the past year.

The meeting was also addressed by Judge Alfred, Hon. Mr. Hackett, A. N. Thompson and other Shareholders of the Bank, all of whom expressed themselves as being highly pleased with the report that was submitted and with the Bank's position.

Votes of thanks were passed to the President and Directors for their attention to the affairs of the Bank, also to the General Manager and staff for the efficient manner in which they had performed their duties during the year.

DIRECTORS

The ballot resulted in the election of the following Directors :—Wm. Farwell, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, K.C., James S. Mitchell, S. H. C. Miner, A. C. Flumerfelt and Frank Grundy.

At a meeting of the new Board Mr. William Farwell was re-elected President and Major Wood Vice-President.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 46 YEARS—1860 TO 1905 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & ½% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & ½% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8%	8,578,049	2,021,495	10,869,026	3,309,234
1904	2,472,340	1,500,000	8%	9,821,026	2,237,835	11,423,021	4,688,504
1905	2,500,000	1,600,000	8%	11,879,785	2,068,885	13,139,682	4,853,285

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$3,000,000.00

CAPITAL PAID UP, - - \$2,932,790.00

RESERVE FUND, - - - - \$1,860,000.00

DIRECTORS.

WM. FARWELL, - - PRESIDENT.

S. H. C. MINER, VICE-PRESIDENT.

C. H. KATHAN,	J. S. MITCHELL,
N. W. THOMAS,	A. C. FLUMERFELT,
G. STEVENS,	FRANK GRUNDY,
SHIRLEY OGILVIE,	O. A. ROBERTSON.

JAS. MACKINNON - GENERAL MANAGER

S. F. MOREY INSPECTOR OF BRANCHES

NEIL DINNING. ROUTINE INSPECTOR

E. W. FARWELL. ROUTINE INSPECTOR

1906.

BRANCHES.

QUEBEC :

ACTON VALE	N. H. SLACK	Manager
BEDFORD	W. E. MOREHOUSE	"
BLACK LAKE	A. E. WARD	Acting "
COATICOOK	E. N. ROBINSON	"
COOKSHIRE	D. H. TOLMIE	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	P. P. JOHNSTON	"
FARNHAM	J. H. DOAK	"
GRANBY	W. H. ROBINSON	"
HEMMINGFORD,	P. H. M. SOMERVILLE	"
HUNTINGDON	C. W. THOMAS	"
LAKE MEGANTIC	G. M. THOMPSON	"
LAWRENCEVILLE	P. S. WOOD	"
LENNOXVILLE	H. A. C. SCARTH	Acting "
MAGOG	W. L. TEESON	"
MARBLETON	L. P. BISHOP	Acting "
MANSONVILLE	W. LYNCH	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	W. SMITH	Acting "
ORMSTOWN	E. W. MORGAN	"
RICHMOND	A. S. RAIMBACH	"
ROCK ISLAND	SIDNEY STEVENS	"
ROXTON FALLS	N. H. SLACK	"
SHERBROOKE	S. EDGELL	"
do.	E. L. S. PATTERSON,	Asst. "
SHERBROOKE (Wellington St)	F. A. BRIGGS	"
ST. FERDINAND DE HALIFAX		"
ST. GAB. DE BRANDON	A. LOCAS	"
ST. GEORGE, BEAUCE	J. H. HEBERT	Acting "
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	A. O. LEDOUX,	"



O. A. ROBERTSON.

Director 1906-1912.

BRANCHES, (Continued).

SUTTON	R. P. BUZZELL,	Manager
THETFORD MINES	H. A. SHORT	"
WATERVILLE	J. T. THOMAS,	"
WATERLOO	A. W. WATSON,	"
WEST SHEFFORD	G. C. BRIGHT,	"
WINDSOR MILLS	E. L. SLEEPER,	"

ALBERTA :

COLEMAN	G. E. EWING	Acting Manager
TABER	F. E. BRINE	" "

BRITISH COLUMBIA :

GRAND FORKS	WM. SPIER,	Manager
MIDWAY	E. C. MOE	Acting "
PHOENIX	A. B. HOOD,	"
VANCOUVER	W. H. HARGRAVE	"

MANITOBA :

WINNIPEG	W. L. BALL,	Manager
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AGENCIES.

BELOEIL,	BISHOP'S CROSSING,	CLARENCEVILLE,	EASTMAN,
LACOLLE,	IBERVILLE,	NORTH HATLEY,	SCOTSTOWN,
STANSTEAD,	ST. CHRYSOSTOME,	SWEETSBURG,	VALCOURT.

CORRESPONDENTS.

BANK OF MONTREAL, AND BRANCHES,	CANADA
MOLSONS BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N.Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN.
HONG KONG AND SHANGHAI BANKING CO.	ASIA.
CREDIT LYONNAIS	EUROPE.
NATIONAL BANK OF SOUTH AFRICA, LTD.	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

15th November, 1906.

LIABILITIES.

Notes of the Bank in Circulation.....	2,582,015.00	
Deposits payable on demand.....	2,701,643.06	
“ “ after notice.....	9,987,066.67	
Balances due to other Banks in Canada	55,765.13	
Balances due to other Banks in United Kingdom.....	17,668.70	
		<u>\$15,344,158.56</u>
Capital Paid up.....		\$ 2,932,790.00
Reserve Fund.....	\$1,860,000.00	
Reserved on account of rebate on Bills Discounted, unmatured	35,000.00	
Dividend No. 96 at the rate of 8 per cent. per annum payable 2nd Jan. next...	58,000.00	
Dividends unclaimed.....	3,992.10	
Balance Profit carried forward.....	75,749.46	172,741.56
		<u>\$20,309,690.12</u>

ASSETS.

Gold and Silver Coin.....	154,331.07	
Dominion Notes.....	1,109,153.00	
Deposit with Dominion Government for security of Bank Note Circulation...	106,090.00	
Notes of and Cheques on other Banks..	592,963.54	
Due from other Banks in Canada..	818,832.37	
Due from other Banks in the United Kingdom.....	5,057.72	
Due from other Banks in Foreign Countries.....	813,557.87	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities.....	471,400.00	
Other Bonds, Debentures and Stocks...	149,266.20	
Call loans on Bonds and Stocks.....	2,182,956.33	
Total Assets immediately available...		6,570,683.52
Current Loans, Discounts and Advances to the Public.....	13,046,340.03	
Loans Overdue, (Estimated Loss provided for).....	71,882.67	
Real Estate, (other than Bank Premises)	54,532.19	
Mortgages on Real Estate sold by the Bank.....	62,737.90	
Bank Premises and Furniture including safes and vaults at Head Office and Branches.....	486,300.69	
Other Assets.....	17,213.12	13,739,006.60
		<u>\$20,309,690.12</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK, SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-EIGHTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS, HELD ON WEDNESDAY., 5TH, DECEMBER, 1906.

The Forty-eighth Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke at two o'clock on Wednesday, December 5th, and in addition to the Directors there were present :—

F. M. Sherman, Newport, Vt. ; F. D. Spaulding, Burlington ; Edwin Howe, Hatley ; S. A. Baldwin, Norton Mills ; D. Williams, St. Johnsbury ; Chas. Ward, Derby Line ; Col. H. R. Fraser, Dr. F. J. Austin, Captain Bennetts, of Sherbrooke, and others.

The President took the chair, and the General Manager acted as Secretary.

Col. H. R. Fraser and Mr. F. D. Spaulding were appointed Scrutineers of votes.

REPORT.

In submitting the accompanying Balance Sheet and Profit and Loss Statement the Directors have pleasure in informing the shareholders that the gross profits for the year under review have been satisfactory. Unfortunately the Bank has been called upon to bear exceptional losses in Montreal and St. Hyacinthe, which have been fully provided for and written off from the year's profits. The usual dividends have been declared and a substantial sum carried forward.

You will observe by reference to the accompanying sheet that \$2,000 has been transferred to the Officers' Guarantee Fund ; \$260,000, premium on new stock, transferred to the Reserve Fund, and that a balance of \$75,749.46, now stands

at the credit of Profit and Loss for future appropriation. Your Directors therefore have every reason to believe that the result will be considered on the whole as satisfactory.

Business throughout the country has been prosperous in nearly all lines, with the farming community especially so, the dairy product being rather in excess of last year and bringing better prices.

It is gratifying to note the great increase in immigration, and that a large proportion of the new-comers are of the better class, with sufficient means to enable them to make a good start in the country, but it is to be regretted that more of them do not find homes in the older Provinces, where those that have done so are doing well.

The wrecking of the Ontario Bank is one of the unfortunate incidents of the year. That the failure of such a large institution did not cause any disturbance in financial circles, and that its creditors were not seriously inconvenienced thereby is a matter of congratulation. It has, however, again raised the question of Government or independent inspection, and the matter is now under consideration by the Bankers' Association, and the Finance Department of the Government. Your Board would favor any well devised system which will safeguard the interest of the shareholders and the public.

The Bank, as well as the community at large, has met with a serious loss during the year in the death of your Vice-President Major Israel Wood, one of the original shareholders and a Director for twenty years, and of Director Henry Braithwaite Brown. They were both men of ability and good judgment, with whom the best interest of the Bank was always paramount.

In consequence of a fire having rendered the property purchased by the Bank in Montreal untenable, unless at heavy expense, it was decided to proceed with the erection of our new office building without delay. The old building

has been demolished and plans are being prepared so as to be ready to go on with the work the coming spring.

Several new offices have been established during the year which are showing good results.

The usual careful and thorough inspection of the various Branches has been made.

The whole respectfully submitted,

WILLIAM FARWELL,

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDING NOV. 15TH, 1906.

Balance at Credit of Profit and Loss, brought forward from November 15th, 1905.....	\$24,566.18
Profit of Head Office and Branches, after deducting charges of Management, Interest due depositors, and making provision for losses.....	279,610.24
Premium paid on new issue of Capital Stock.....	259,674.00
	<hr/>
	\$563,850.42

APPROPRIATED AS FOLLOWS :

Dividend of 2 per cent paid April 2nd 1906	\$ 54,351.43
Dividend of 2 per cent. paid July 2nd 1906	55,914.42
Dividend of 2 per cent., paid Oct. 1st. 1906.	57,835.11
Dividend of 2 per cent. payable 2nd Jan. 1907	58,000.00
Transferred to Reserve Fund.....	260,000.00
Transferred to Officers Guarantee Fund....	2,000.00
	<hr/>
	488,100.96
Balance carried forward.....	<hr/>
	\$75,749.46

J. MACKINNON,

General Manager.

The President reviewed the report, and made a few remarks on the business of the country generally. Vice-President Miner, Director Flumerfelt, the General Manager, and Messrs. Sherman and Mansur followed with brief addresses, after which the report was adopted.

Feeling reference was made to the loss sustained by the

Bank during the year in the deaths of the late Vice-President, Major Israel Wood, and Director Brown.

DIRECTORS.

The ballot resulted in the election of the following Directors ;—Wm. Farwell, S. H. C. Miner, N. W. Thomas, G. Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, Frank Grundy, Shirley Ogilvie (Montreal), O. A. Robertson (Winnipeg), the last two gentlemen being elected to fill the vacancies occasioned through the deaths of Major Wood and Mr. H. B. Brown.

At a meeting of the new Board, Mr. Wm. Farwell was re-elected President, and Mr. S. H. C. Miner, Vice-President.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 47 YEARS—1860 TO 1906 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & 1½% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1½% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8%	8,578,049	2,021,495	10,869,026	3,309,234
1904	2,472,340	1,500,000	8%	9,821,026	2,237,835	11,423,021	4,688,504
1905	2,500,000	1,600,000	8%	11,879,785	2,068,885	13,139,682	4,853,285
1906	2,932,790	1,860,000	8	12,688,709	2,582,015	15,301,181	6,570,683



G. G. FOSTER, K.C.

Director 1907-1912

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED,	-	-	-	\$3,000,000.00
CAPITAL PAID UP,	-	-	-	\$3,000,000.00
RESERVE FUND,	-	-	-	\$2,000,000.00

DIRECTORS.

WILLIAM FARWELL, - - PRESIDENT.

S. H. C. MINER, - - VICE-PRESIDENT.

C. H. KATHAN, J. S. MITCHELL,

N. W. THOMAS, A. C. FLUMERFELT,

G. STEVENS, FRANK GRUNDY,

O. A. ROBERTSON, G. C. FOSTER, K.C.

JAS. MACKINNON - GENERAL MANAGER

S. F. MOREY, INSPECTOR OF BRANCHES

NEIL DINNING, ROUTINE INSPECTOR

E. W. FARWELL, ROUTINE INSPECTOR

BRANCHES.

QUEBEC :

ACTON VALE	N. H. SLACK,	Manager
AYER'S CLIFF	W. E. LEARNED,	"
BEDFORD	W. E. MOREHOUSE,	"
BEEBE	H. G. KIRWIN,	Actg. "
BLACK LAKE	H. E. GREEN,	" "
BROMPTONVILLE	A. GUAY,	" "
COATICOOK	E. N. ROBINSON,	"
COOKSHIRE	D. H. TOLMIE,	"
COWANSVILLE	H. F. WILLIAMS,	"
DANVILLE	P. P. JOHNSON,	"
EASTMAN	C. W. HAWLEY,	Actg. "
FARNHAM	J. H. DOAK,	"
GRANBY	W. H. ROBINSON	"
HEMMINGFORD	P. H. M. SOMERVILLE,	"
HUNTINGDON	C. W. THOMAS,	"
KNOWLTON	J. M. O'HALLORAN,	"
LAKE MEGANTIC	G. M. THOMPSON,	"
LAWRENCEVILLE	P. S. WOOD	"
LENOXVILLE	H. A. C. SCARTH,	Actg. "
MAGOG	W. L. TEESON,	"
MANSONVILLE	W. LYNCH,	"
MARBLETON	L. P. BISHOP,	Actg. "
MARIEVILLE	G. LAMOTHE,	Actg. "
MONTREAL (Centre)	B. AUSTIN,	"
MONTREAL (East)	E. P. OLIVIER	"
MONTREAL (West)	W. SMITH,	Actg. "
NORTH HATLEY	S. H. BALL,	"
ORMSTOWN	E. W. MORGAN,	"
RICHMOND	A. S. RAIMBACH,	"
RIMOUSKI	W. CLOUTIER,	"
ROCK ISLAND	SIDNEY STEVENS,	"
ROXTON FALLS	N. H. SLACK,	"
SHERBROOKE	S. EDGELL	"
SHERBROOKE (Wellington St.)	F. A. BRIGGS,	"
ST. FERDINAND		
D'HALIFAX	A. E. WARD,	Actg. "
ST. GAB. DE BRANDON	A. LOCAS	"
ST. GEORGE BEAUCE	J. B. HEBERT,	Actg. "
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"

BRANCHES, (Continued).

SUTTON	R. P. BUZZELL,	Manager
THETFORD MINES	H. A. SHORT	"
WATERVILLE	J. T. THOMAS,	"
WATERLOO	A. W. WATSON,	"
WEST SHEFFORD	G. C. BORIGHT,	"
WINDSOR MILLS	E. L. SLEEPER,	"

ALBERTA :

COLEMAN	G. E. EWING	Acting Manager
TABER	F. E. BRINE	" "

BRITISH COLUMBIA :

GRAND FORKS	WM. SPIER,	Manager
KEREMEOS	R. H. CARMICHAEL	Acting "
MIDWAY	E. C. MOE	Acting "
PHOENIX	A. B. HOOD,	"
VANCOUVER	W. H. HARGRAVE	"

MANITOBA :

WINNIPEG	W. L. BALL,	Manager
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AGENCIES.

BELOEIL,	HOWICK,	LACOLLE,	SCOTSTOWN,
CLARENCEVILLE,	IBERVILLE,	NORTH HATLEY,	STANSTEAD,
		VALCOURT.	

CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES,	CANADA
MOLSON'S BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL EXCHANGE BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK,	CHICAGO, ILL.
FIRST NATIONAL BANK.	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N. Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK,	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

15th November, 1907.

LIABILITIES.

Capital Paid up.....		\$3,000,000.00
Reserve Fund.....		2,000,000.00
Balance of Profits carried forward.....		100,677.44
Reserved on account of rebate on Bills		
Discounted, unmatured	\$35,000.00	
Dividend No. 100 at the rate of 8 per cent		
per annum payable 2nd Jan. next....	59,352.66	
Dividends unclaimed.....	4,228.75	98,581 41
Notes of the Bank in Circulation.....	\$2,618,856.00	
Deposits not bearing interest.....	2,724,883.96	
Deposits bearing interest.....	10,592,597.89	
Balances due to other Banks in Canada..	111,901.79	
Balances due to other Banks in United		
Kingdom.....	85,950.77	
		<u>16,134,190.41</u>

ASSETS.

		<u>\$21,333,449.26</u>
Gold and Silver Coin Current.....	\$ 189,561.84	
Dominion Government Notes.....	1,128,461.00	
Deposit with Dominion Government for		
security of Bank Note Circulation....	113,000.00	
Notes of and Cheques on other Banks..	710,603.44	
Due from other Banks in Canada..	480,499.96	
Due from other Banks in the United		
Kingdom.....	5,193.30	
Due from other Banks in Foreign Coun-		
tries.....	1,013,672.77	
Dominion and Provincial Government		
Securities.....	167,073.42	
Canadian Municipal Debentures and		
Foreign Public Securities.....	471,100.00	
Other Bonds, Debentures and Stocks...	321,466.20	
Call loans on Bonds and Stocks.....	1,412,325.78	
Total Assets immediately available....		6,012,957.71
Current Loans, Discounts and Advances		
to the Public.....	14,510,016.98	
Loans Overdue, (Estimated Loss pro-		
vided for).....	47,792.00	
Real Estate, (other than Bank Premises)	53,409.71	
Mortgages on Real Estate sold by the		
Bank.....	53,310.95	
Bank Premises and Furniture including		
safes and vaults at Head Office and		
Branches.....	637,702.09	
Other Assets.....	18,259.82	
		<u>15,320,491.55</u>
		<u>\$21,333,449.26</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FORTY-NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON WEDNESDAY, 4TH DECEMBER, 1907.

The Forty-ninth Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke, Que., at two o'clock, on Wednesday, December 4th. In addition to the Directors there were present :—

Judge Alfred and F. M. Sherman, of Newport, Vt. ; Judge White, C. D. White, A. S. Hurd, K.C., Dr. Austin and M. Read, of Sherbrooke, Que. ; F. D. Spaulding, Burlington, Vt. ; P. S. G. Mackenzie, Richmond, Que. ; Major Williamson and M. G. Crombie, of Kingsbury, Que. ; W. E. LeBaron, North Hatley, Que. ; S. A. Baldwin, Norton Mills, Vt., and others.

The President took the chair and the General Manager acted as Secretary.

F. D. Spaulding and P. S. G. Mackenzie were appointed as scrutineers of votes.

The Directors' report was read as follows :

REPORT.

The Directors have pleasure in presenting the Forty-ninth Annual Report for the year ending 15th November, 1907, which your Board considers very satisfactory, the net earnings for the period being \$372,669.91.

Quarterly Dividends at the rate of Eight Per Cent for the year have been paid.

\$140,000 has been added to the Reserve Fund, bringing this account up to \$2,000,000 and leaving \$100,677.44 carried forward. The new stock has all been taken up and paid for, bringing the capital up to \$3,000,000 fully paid.

Business generally has been satisfactory for the period under review, but there has been a marked falling off in the demand for lumber and in some districts the crops have not been successfully harvested, yet all things considered the general agricultural, industrial and financial conditions of Canada may be considered satisfactory. Mining operations have been prosecuted on an increasingly large scale, and while some stoppages have occurred for one reason or another, the wealth of the country has been materially added to by the production of the mines, and recent reports indicate that a solution of the difficulties between the mining companies and their operatives has been finally reached, and it is expected that no further delays of any consequence will be experienced.

It, however, may be remarked owing to the fact that the business of the country has materially exceeded the banking resources, certain curtailments are in evidence and great care is, and should be exercised by financial institutions as well as by the people, in order to bring about a re-adjustment of the present conditions. Speculative undertakings should be discouraged, conservative principles obtain and economy practised, in order that a proper ratio of business and capital should be speedily attained.

The Canadian Banks have for some months past been placing themselves in a stronger position by reducing loans, suggesting to their customers the advisability of curtailing operations and thus preparing for any emergency. This counsel has been followed with the result that the Banks are in a much stronger position, and over-production stopped. Ordinary requirements of their clients have been granted but everything pointing towards expansion discouraged. There is no doubt, however, that the development of the country

has outstripped the capital available, and it will therefore be necessary to mark time for a while until larger results from our grain, butter, cheese, minerals, etc. will have added to the capital of the country.

Our new Bank building in Montreal, now under construction, is progressing and will be ready for occupation on the 1st November next. It will be a substantial structure and that portion not occupied by the Bank will yield good returns, thereby materially reducing the Bank's rental.

The Head Office and Branches have been regularly inspected as usual.

In conclusion the Directors have much pleasure in testifying to the zeal of the General Manager and officers of the Bank generally.

Respectfully submitted,

WILLIAM FARWELL,

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDING 15TH NOVEMBER, 1907.

Balance at Credit of Profit and Loss brought forward from November 15th, 1906.....	\$75,749.46
Profit of Head Office and Branches after deducting charges of Management, Interest due Depositors, and ample provision for all losses.....	372,669.91
Premium paid on new issue of Capital Stock	35,782.00
	<u>\$484,201.37</u>

APPROPRIATED AS FOLLOWS:

Dividend of 2 per cent. paid April 2nd 1907	\$58,913.21
Dividend of 2 per cent., paid July 2nd, 1907	58,962.47
Dividend of 2 per cent. paid Oct. 1st, 1907	59,005.59
Dividend of 2 per cent payable 2nd Jan. 1908	59,352.66
	<u>236,233.93</u>
Transferred to Reserve Fund.....	140,000.00
Transferred to Officers' Guarantee Fund..	2,000.00
Bonus to Officers.....	<u>5,290.00</u>
	<u>383,523.93</u>
Balance carried forward.....	<u>\$100,677.44</u>

J. MACKINNON,

General Manager.

The President in a few well chosen remarks covered the points mentioned in the report, and was followed by the General Manager, who reviewed the financial statement presented.

Addresses were also delivered by Vice-President Miner, Judge White, Judge Alfred, Messrs. A. C. Flumerfelt, O. A. Robertson, P. S. G. Mackenzie, M. G. Grombie, S. A. Baldwin, F. D. Spaulding and Major Williamson.

Votes of thanks were passed to the President and Directors, the General Manager and staff, for the very excellent service rendered the Bank.

DIRECTORS.

The ballot resulted in the election of the following Directors, viz : Wm. Farwell, S. H. C. Miner, N. W. Thomas, Gardner Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, Frank Grundy, O. A. Robertson and George G. Foster, K.C.

At a subsequent meeting of the Directors Mr. William Farwell was re-elected President and Mr. S. H. C. Miner, Vice-President.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 48 YEARS--1860 TO 1907 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & 1½% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1½% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8%	8,578,049	2,021,495	10,869,026	3,309,234
1904	2,472,340	1,500,000	8%	9,821,026	2,237,835	11,423,021	4,688,504
1905	2,500,000	1,600,000	8%	11,879,785	2,068,885	13,139,682	4,853,285
1906	2,932,790	1,800,000	8%	12,688,709	2,582,015	15,301,181	6,570,683
1907	3,000,000	2,000,000	8%	13,817,482	2,618,856	15,970,135	6,012,958



F. N. McCREA,
Director 1908-1912.

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - - \$3,000,000.00

CAPITAL PAID UP, - - - \$3,000,000.00

RESERVE FUND, - - - \$2,000,000.00

DIRECTORS.

WILLIAM FARWELL, - - PRESIDENT.

S. H. C. MINER, - - VICE-PRESIDENT.

C. H. KATHAN, A. C. FLUMERFELT,

G. G. FOSTER, K.C. G. STEVENS,

FRANK GRUNDY, F. N. McCREA,

J. S. MITCHELL, O. A. ROBERTSON,

B. C. HOWARD.

JAS. MACKINNON, - GENERAL MANAGER

S. F. MOREY, - - - CHIEF INSPECTOR

NEIL DINNING, - - - INSPECTOR

E. W. FARWELL, . - - INSPECTOR

WM. SPIER, - - SUPT. WESTERN BRANCHES

BRANCHES.

QUEBEC :

ACTON VALE	E. R. TANNER,	Manager
AYER'S CLIFF	W. E. LEARNED,	"
BEDFORD	W. E. MOREHOUSE,	"
BEEBE	H. G. KIRWIN,	"
BLACK LAKE	H. E. GREEN,	"
BROMPTONVILLE	A. GUAY,	Actg. "
COATICOOK	E. N. ROBINSON,	"
COOKSHIRE	D. H. TOLMIE,	"
COWANSVILLE	H. F. WILLIAMS,	"
DANVILLE	P. P. JOHNSTON,	"
EASTMAN	C. W. HAWLEY,	"
FARNHAM	G. C. BORIGHT,	"
FRELIGHSBURG	F. E. KERRIDGE,	"
GRANBY	A. C. SMITH,	Actg. "
HEMMINGFORD	P. H. M. SOMERVILLE,	"
HUNTINGDON	C. W. THOMAS,	"
KNOWLTON	J. M. O'HALLORAN,	"
LAKE MEGANTIC	G. M. THOMPSON,	"
LAWRENCEVILLE	P. L. McCABE,	"
LENNOXVILLE	H. A. C. SCARTH,	"
MAGOG	J. H. DOAK,	"
MANSONVILLE	W. LYNCH,	"
MARBLETON	L. P. BISHOP,	"
MARIEVILLE	G. LAMOTHE,	Actg. "
MONTREAL (Centre)	B. AUSTIN,	"
MONTREAL (East)	E. L. SLEEPER,	"
MONTREAL (West)	M. A. MACFARLANE,	"
NORTH HATLEY	S. H. BALL,	"
ORMSTOWN	E. W. MORGAN,	"
RICHMOND	A. S. RAINBACH,	"
RIMOUSKI	W. CLOUTIER,	"
ROCK ISLAND	SIDNEY STEVENS,	"
ROXTON FALLS	J. A. ROY,	Actg. "
ST. FELIX DE VALOIS	J. R. BOIVIN,	Actg. "
ST. FERDINAND		
D'HALIFAX	A. E. WARD,	"
ST. GAB. DE BRANDON	A. LOCAS	"
ST. GEORGE BEAUCE	J. H. HEBERT,	Actg. "
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	J. E. THOMPSON,	Actg. "
ST. REMI	C. A. BEDARD,	"
SHERBROOKE	E. L. S. PATTERSON,	"

BRANCHES (Continued).

SHERBROOKE (Wellington St.)	F. A. BRIGGS,	Manager
SUTTON	R. P. BUZZELL	"
THETFORD MINES	H. A. SHORT,	"
WATERLOO	A. W. WATSON,	"
WATERVILLE	J. T. THOMAS,	"
WEST SHEFFORD	P. S. WOOD,	"
WINDSOR MILLS	N. H. SLACK,	Actg. "

BRITISH COLUMBIA :

GRAND FORKS	A. B. HOOD,	Manager
KEREMEOS	R. H. CARMICHAEL,	Actg. "
PHOENIX	F. E. BRINE,	"
VANCOUVER	W. H. HARGRAVE	"

MANITOBA :

WINNIPEG	W. L. BALL	Manager
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ALBERTA :

COLEMAN	R. B. BUCHANAN,	"
TABER	E. C. MOE,	"

AGENCIES.

BELOEIL	BIC	BISHOP'S CROSS'G	BROME
CLARENCEVILLE	DIXVILLE	DUNHAM	EAST BROUGHTON
EAST HATLEY	HENRYVILLE	HOWICK	IBERVILLE
LACOLLE,	MIDWAY, B.C.	PHILIPSBURG	ST. ARMAND
ST. CHRYSOSTOME	SCOTSTOWN	STANBRIDGE EAST	STANSTEAD
SWEETSBURG	THETFORD MINES	(WEST)	UPTON
	VALCOURT	WEEDON.	

CORRESPONDENTS.

BANK OF MONTREAL, AND BRANCHES,	CANADA
THE MOLSONS BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL SHAWMUT BANK	BOSTON, MASS
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N.Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN.
HONG KONG AND SHANGHAI BANKING CO.	ASIA.
CREDIT LYONNAIS	EUROPE.
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

LIABILITIES 14th November, 1908.

TO THE PUBLIC :

Notes of the Bank in Circulation.....	\$2,667,665.00	
Deposits payable on Demand.....	2,737,647.32	
“ “ after Notice.....	10,887,756.83	
Balances due to other Banks in United Kingdom.....	118,851.25	16,411,920.40

TO THE SHAREHOLDERS :

Capital Paid up.....		\$3,000,000.00
Reserve Fund.....		2,000,000.00
Reserved on account of rebate on Bills Discounted unmaturred.....	35,000.00	
Dividend No.104 at the rate of 8 per cent per annum, payable 2nd January next.	60,000.00	
Dividends unclaimed.....	2,892.75	
Balance Profit carried forward.....	215,305.98	313,198.73
		<u>\$21,725,119.13</u>

ASSETS

Gold and silver coin.....	\$411,058.59	
Dominion Notes.....	891,378.00	
Deposit with Dominion Government for security of Bank Note Circulation....	123,000.00	
Notes of and Cheques on other Banks..	599,383.95	
Due from other Banks in Canada.....	779,927.96	
Due from other Banks in the United Kingdom.....	5,317.42	
Due from other Banks in Foreign Countries.....	1,897,861.02	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities.....	471,100.00	
Other Bonds, Debentures and Stocks...	334,901.78	
Call loans on Bonds and Stocks.....	1,727,028.35	
		<u>\$7,408,030.49</u>
Current Loans, Discounts and Advances to the Public.....	13,281,643.05	
Loans Overdue, (Estimated Loss provided for).....	67,991.45	
Real Estate, other than Bank premises.	336,608.28	
Mortgages on Real Estate sold by the Bank.....	50,716.00	
Bank Premises and Furniture, including safes and vaults at Head Office and Branches.....	509,388.43	
Other Assets.....	70,741.43	
		<u>14,317,088.64</u>

J. MACKINNON,

\$21,725,119.13

General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS, HELD ON WEDNESDAY, 2ND. DECEMBER, 1908.

The Fiftieth Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke, at two o'clock on Wednesday, December 2nd.

There were present :—Messrs. Wm. Farwell, S. H. C. Miner, C. H. Kathan, Gardner Stevens, A. C. Flumerfelt, G. G. Foster, K.C. ; O. A. Robertson, W. E. LeBaron, C. C. Davis, F. M. Sherman, F. N. McCrea, W. R. Webster, Matthew Read and Capt. Bennetts.

The President acted as chairman, and the General Manager as Secretary. Messrs. C. C. Davis and W. E. LeBaron were appointed as scrutineers of votes.

REPORT.

In submitting the financial statement for the past year your Directors believe that the result will be considered satisfactory by the Shareholders, showing as it does net earnings on the current year's business exceeding twelve per cent. out of which a dividend of Eight Per Cent. has been paid, and also, a Bonus to the Employees, and a Grant to the Officers' Guarantee Fund, leaving a balance of \$215,305.98 to be carried forward.

Owing to the general financial disturbance, more particularly affecting the United States, where several Banks and Trust Companies temporarily suspended, your Directors felt it advisable to use extreme caution, and to materially

strengthen the cash reserves and quick assets, which somewhat lessened the earning power for the period under review.

Early in the year your Bank joined a number of other Banks and came to the relief of the depositors and customers of the Sovereign Bank by taking over several Branches and assuming certain responsibility in connection therewith. By adopting this course it prevented any financial disturbance and we are glad to announce to our Shareholders that such responsibility will entail no loss to the underwriting Banks.

The severe drought during the summer has caused serious loss to the country generally in certain parts of Canada, as well as loss to the pulp and timber interests by fire. Better prices, however, are being realized, which will recoup the sufferers to a great extent, so that this may not be as serious as many anticipated.

The crops throughout the Northwest of Canada have been the largest in the history of the country, and as transportation facilities have been greatly increased, satisfactory results to the country will be achieved much more quickly than in previous years, and as a result of which a large sum of money will be almost immediately available for Western Canada. On the whole the outlook is encouraging, but great economy should be continued in order that the country may retain its strong financial position.

Our Bank and Office Building in Montreal will be ready for occupation next May. It is gratifying to be able to report that the offices are rapidly being leased by desirable tenants, and that the Bank will have a home in the business centre of Canada at a net cost to the Shareholders, that will compare favourably with other financial institutions. The building itself will not only be an ornament to the City of Montreal but should be a permanent source of profit and pride to our Shareholders.

Your Directors regret to have to record the death of one of their members in the person of the late Mr. Newell W. Thomas, of Coaticook, who held the position of director of



MONTREAL BUILDING, ST. JAMES ST.

this Bank for over twenty years. The vacancy created by his death will have to be filled at this meeting of the Shareholders.

The Head Office and Branches have as usual been inspected during the year. In conclusion your Directors desire to record their appreciation of the zeal and attention of the General Manager as well as the other officers of the Bank.

Respectfully submitted,

WILLIAM FARWELL,

Sherbrooke, Que., 2nd December.

President

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR

ENDING NOV. 14TH, 1908.

Balance at credit of Profit and Loss brought forward from November 15, 1907.....	\$100,677.44
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, and provision for Losses..	367,111.88
	<u>\$467,789.32</u>

APPROPRIATED AS FOLLOWS :

Dividend of 2 per cent paid April 2nd 1908	\$60,000.00
Dividend of 2 per cent. paid July 2nd 1908	60,000.00
Dividend of 2 per cent., paid Oct. 1st. 1908	60,000.00
Dividend of 2 per cent. payable 2nd Jan. 1909	60,000.00
Transferred to Officers Guarantee Fund....	2,000.00
Bonus to Officers.....	10,483.34
	<u>252,483.34</u>
Balance carried forward.....	<u>\$215,305.98</u>

J. MACKINNON,

General Manager.

The President, in presenting the report, commented favorably on the showing and dwelt specifically on the financial situation of the country generally. He was followed by the Vice-President, the General Manager and others, with short addresses.

Votes of thanks were passed to the President and Directors, the General Manager and officers and staff.

DIRECTORS.

The results of the ballot for the election of Directors was as follows :—Wm. Farwell, S. H. C. Miner, Gardner Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, F. Grundy, O. A. Robertson, G. G. Foster, K.C., F. N. McCrea and B. C. Howard.

At a subsequent meeting of the Directors, Mr. William Farwell was re-elected President, and Mr. S. H. C. Miner, Vice-President.

COMPARATIVE STATEMENT OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST 49 YEARS—1860 TO 1908 INCLUSIVE,
AS SHOWN BY THE ANNUAL REPORTS.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circulation	Loans	Assets immediately available
1860	133,415	.....	6	6,548	135,152	179,006	38,203
1865	284,254	15,000	7	103,282	62,882	355,336	86,720
1870	400,000	36,000	8	264,450	294,554	670,333	318,555
1875	1,000,000	240,000	10	791,407	467,403	2,529,767	427,602
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,245
1885	1,449,488	375,000	7	1,890,037	700,056	3,896,346	680,268
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	602,098
1897	1,500,000	785,000	7 & 1% Bonus	3,870,564	938,975	6,022,018	1,040,327
1898	1,500,000	835,000	7 & ½% Bonus	4,384,004	895,924	6,577,769	911,879
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,153,788
1900	1,500,000	900,000	7 & 1% Bonus	5,181,451	1,147,707	7,206,658	1,393,828
1901	1,733,945	1,050,000	7 & 1% Bonus	5,843,751	1,224,100	7,581,390	2,171,106
1902	1,955,225	1,200,000	7 & 1% Bonus	6,830,214	1,358,730	8,780,256	2,392,000
1903	2,426,780	1,450,000	8%	8,578,049	2,021,495	10,869,026	3,309,234
1904	2,472,340	1,500,000	8%	9,821,026	2,237,835	11,423,021	4,688,504
1905	2,500,000	1,600,000	8%	11,879,785	2,068,885	13,189,682	4,853,285
1906	2,932,720	1,860,000	8%	12,688,709	2,582,015	15,301,181	6,570,683
1907	3,000,000	2,000,000	8%	13,317,482	2,618,856	15,970,135	6,012,958
1908	3,000,000	2,000,000	8%	13,625,404	2,667,665	15,076,663	7,408,030



B. C. HOWARD.

Director, 1908-1912

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$3,000,000.00

CAPITAL PAID UP, - - \$3,000,000.00

RESERVE FUND, - - - - \$2,100,000.00

DIRECTORS.

WM. FARWELL, - - PRESIDENT.

S. H. C. MINER, VICE-PRESIDENT.

G. STEVENS,

FRANK GRUNDY,

C. H. KATHAN,

O. A. ROBERTSON,

J. S. MITCHELL,

G. G. FOSTER, K.C.

A. C. FLUMERFELT,

F. N. McCREA,

B. C. HOWARD.

JAS. MACKINNON - GENERAL MANAGER

E. L. STEWART PATTERSON, ASSISTANT GENERAL MANAGER

WM. SPIER, - - CHIEF INSPECTOR

NEIL DINNING, CHIEF ACCOUNTANT

1909.

BRANCHES.

QUEBEC :

ACTON VALE	E. R. TANNER	Manager
AYER'S CLIFF	W. E. LEARNED	"
BEDFORD	S. H. BALL	"
BEEBE	H. G. KIRWIN	"
BELOEIL STATION	J. R. BOIVIN,	Acting "
BISHOP'S CROSSING	L. P. BISHOP	"
BLACK LAKE	H. E. GREEN	"
BROMPTONVILLE	J. B. HEBERT	"
COATICOOK	L. M. THOMAS	Acting "
COOKSHIRE	D. H. TOLMIE	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
EASTMAN	C. W. HAWLEY	"
FARNHAM	G. C. BORIGHT	"
FRELIGHSBURG	P. S. WOOD	"
GRANBY	A. C. SMITH	"
HEMMINGFORD,	P. H. M. SOMERVILLE	"
HUNTINGDON	C. W. THOMAS	"
JOLIETTE	GUY LAMOTHE	"
KNOWLTON	J. M. O'HALLORAN	"
LENNOXVILLE	H. A. C. SCARTH	"
MAGOG	A. W. WATSON	"
MANSONVILLE	W. LYNCH	"
MARBLETON	L. P. BISHOP	"
MARIEVILLE	A. J. CHOQUETTE	Acting "
MEGANTIC	G. M. THOMPSON	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. L. SLEEPER	"
MONTREAL (West)	M. A. MACFARLANE	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	E. W. MORGAN	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	SIDNEY STEVENS	"
ST. FELIX DE VALOIS	R. MARCHAND	Acting "
ST. FERDINAND DE HALIFAX	A. E. WARD	"
ST. GAB'L DE BRANDON	A. LOCAS	"
ST. GEORGE, BEAUCE	E. DUMOULIN	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	ARTHUR GUAY	"

BRANCHES, (Continued).

ST. REMI	J. A. ROY	Manager
SHERBROOKE	E. W. FARWELL,	Acting "
" WELLINGTON ST.	F. A. BRIGGS	"
SUTTON	R. P. BUZZELL,	"
THETFORD MINES	P. P. JOHNSTON	"
VALCOURT	P. L. McCABE	"
WATERLOO	W. E. MOREHOUSE	"
WATERVILLE	J. T. THOMAS,	"
WEST SHEFFORD	F. E. KERRIDGE	"
WINDSOR MILLS	N. H. SLACK	Acting "

ALBERTA :

COLEMAN	R. B. BUCHANAN	Manager
LETHBRIDGE	J. A. R. ROME	Acting "
TABER	GEO. E. EWING	"

BRITISH COLUMBIA :

GRAND FORKS	A. B. HOOD	"
KEREMEOS	W. D. LAWSON	"
PHOENIX,	F. E. BRINE	Acting "
PRINCETON	R. H. CARMICHAEL	"
VANCOUVER	W. H. HARGRAVE	"
" Kitsilano (Branch)	E. P. GOMERY	Acting "

MANITOBA :

WINNIPEG	W. L. BALL,	Manager
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SUB-AGENCIES.

QUEBEC :

ASBESTOS	DANVILLE
BELOEIL	BELOEIL STATION
BIC	RIMOUSKI
BROME	KNOWLTON
CHAMBLY BASIN	MARIEVILLE
CLARENCEVILLE	ST. JOHNS
DIXVILLE	COATICOOK
DUNHAM	COWANSVILLE
EAST BROUGHTON	THETFORD MINES
EAST HATLEY	AYER'S CLIFF
HENRYVILLE	ST. JOHNS
HOWICK	ORMSTOWN
IBERVILLE	ST. JOHNS
LACOLLE	ST. JOHNS

SUB-AGENCIES, (Continued)

QUEBEC :

LAWRENCEVILLE	EASTMAN
MONT ST. HILAIRE	BELOEIL STATION
PHILIPSBURG	BEDFORD
ROXTON FALLS	ACTON VALE
ROXTON POND	GRANBY
ST. ARMAND STATION	BEDFORD
ST. CHRYSOSTOME	ORMSTOWN
ST. ELIZABETH	ST. FELIX DE VALOIS
SCOTSTOWN	MEGANTIC
SHERBROOKE (UPPER TOWN)	SHERBROOKE
STANBRIDGE EAST	BEDFORD
STANSTEAD	ROCK ISLAND
SWEETSBURG	COWANSVILLE
THETFORD MINES, WEST	THETFORD MINES
UPTON	ST. HYACINTHE
WEEDON	MARBLETON

BRITISH COLUMBIA :

MIDWAY	GRAND FORKS
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CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES,	CANADA
MOLSON'S BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL SHAWMUT BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK,	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N. Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK,	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

15th November, 1909.

LIABILITIES.

Capital Paid up.....		\$3,000,000.00
Reserve Fund.....		2,100,000.00
Balance of Profits carried forward.....		148,841.43
Reserved on account of rebate on Bills Discounted, unmatured	\$35,000.00	
Dividend No. 108 at the rate of 8 per cent. per annum payable 2nd Jan. next....	60,000 00	
Dividends unclaimed.....	3,600.75	98,600 75
Notes of the Bank in Circulation.....	\$2,724,766.00	
Deposits not bearing interest.....	3,552,967.82	
Deposits bearing interest.....	11,874,617.95	
Balances due to other Banks in United Kingdom.....	231,484.05	
		<u>18,383,835.82</u>

ASSETS.

		<u>\$23,731,278.00</u>
Gold and Silver Coin Current.....	\$ 429,549.36	
Dominion Government Notes.....	1,095,466.75	
Deposit with Dominion Government for security of Bank Note Circulation....	126,681.84	
Notes of and Cheques on other Banks..	840,312.90	
Due from other Banks in Canada.....	605,102.63	
Due from other Banks in Foreign Countries.....	1,189,906.56	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities.....	530,726.10	
Other Bonds, Debentures and Stocks...	272,396.20	
Call loans on Bonds and Stocks.....	1,472,194.28	
		<u>6,729,410.04</u>
Current Loans, Discounts and Advances to the Public.....	15,736,591.88	
Loans Overdue, (Estimated Loss provided for).....	57,717 81	
Real Estate, (other than Bank Premises)	58,236.25	
Mortgages on Real Estate sold by the Bank.....	41,900.75	
Bank Premises and Furniture including safes and vaults at Head Office and Branches.....	1,019,878.33	
Other Assets.....	87,542.94	
		<u>17,001,867.96</u>
		<u>\$23,731,278.00</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS, HELD ON WEDNESDAY, 1ST. DECEMBER, 1909.

The 50th Annual Meeting of the Shareholders of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke, at 2 o'clock on Wednesday, 1st December. There were present: Messrs. Wm. Farwell, S. H. C. Miner, C. H. Kathan, G. Stevens, J. S. Mitchell, A. C. Flumerfelt, F. Grundy, O. A. Robertson, G. G. Foster, F. N. McCrea, B. C. Howard, F. M. Sherman, F. D. Spaulding, J. B. Goodhue, H. E. Channell, W. R. Webster, Dr. Austin, Capt. Bennetts and H. D. Lawrence.

The President acted as Chairman and the General Manager as Secretary.

ANNUAL REPORT.

The statement presented to you to-day calls to mind the history and progress of this Bank during half a century.

Starting in September, 1859, with a paid-up capital of \$101,400, subscribed for by enterprising citizens of the Townships, at a period when there was but little development east of the Richelieu, with no banking facilities this side of Montreal, and with very little money in circulation, our business has steadily grown until to-day we have a paid-

up capital of \$3,000,000 held by 1433 shareholders, with a reserve of \$2,100,000. and with Branches well covering this Province and across the continent.

Your Directors are proud to point to the record of these fifty years during which you have played so important a part in the development and prosperity which to-day surrounds the people of the Eastern Townships, and which progress leads us to hope that a greater usefulness is open to us in a broader field, to which we, as a result of your prosperity, have extended our business and in which we expect to assist in the development of a greater Canada.

The business of the year just closed has improved over that of the previous year, the net earnings being \$390,535.45 as against a net profit of last year of \$367,111.88, enabling your Directors to provide for the usual Dividend at the rate of eight per cent per annum, leaving a balance of \$150,535.45. This, together with the amount brought forward from last year of \$215,305.98, makes the sum of \$365,841.43 available for distribution. Out of this balance of Profit and Loss \$100,000 has been added to the Reserve Fund, bringing that amount to \$2,100,000, or 70 per cent of the capital of the Bank, and the details herewith presented to you show the full disposition made of the amount available.

The Bank is now occupying the new building in Montreal; the offices are rented to desirable tenants, many of whom have become customers of the Bank, and, with the increase that is bound to follow in the value of that building, our Shareholders are assured of splendid accommodation at a very reasonable charge in what your Directors believe to be one of the most desirable positions in the metropolis of Canada.

Respectfully submitted,

WILLIAM FARWELL,

President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDING NOV. 15TH, 1909.

Balance at credit of Profit and Loss brought forward from November 14, 1908.....	\$215,305.98
Profit of Head Office and Branches, after deducting charges of Management, Interest due Depositors, and provision for Losses..	390,535.45
	<u>\$605,841.43</u>

APPROPRIATED AS FOLLOWS :

Dividend of 2 per cent paid April 1st 1909	\$60,000.00
Dividend of 2 per cent. paid July 2nd 1909	60,000.00
Dividend of 2 per cent., paid Oct. 1st. 1909	60,000.00
Dividend of 2 per cent. payable 2nd Jan. 1910	60,000.00
Transferred to Reserve Fund.....	100,000.00
To Strengthening Assets.....	100,000 00
Bonus to Officers.....	15,000.00
Transferred to Officers' Guarantee Fund..	<u>2,000.00</u>
	457,000.00
Balance carried forward.....	<u>\$148,841.43</u>

The President, in moving the adoption of the report, was reminiscent in his observations, referring to the organization of the Bank half a century ago, and was followed by the Vice-President, who further dwelt on the development of the Townships and the growth of the Bank in particular.

The General Manager presented a review of the Financial Statement for the year, and after remarks by Directors Flumerfelt and Robertson, who dwelt particularly on the development and progress of the Bank in the western country, the election of Directors was proceeded with, and resulted as follows :—William Farwell, S. H. C. Miner, Gardner Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, F. Grundy, O. A. Robertson, G. G. Foster, K.C. F. N. McCrea and B. C. Howard.

Messrs. H. D. Lawrence and F. D. Spaulding, were appointed as scrutineers of votes.

At a subsequent meeting of the Directors Mr. William Farwell, was re-elected President and Mr. S. H. C. Miner, Vice-President.

EASTERN TOWNSHIPS BANK

A BRIEF HISTORY OF THE BANK.

I

It is inevitable that those who have a Golden Wedding should spend most of the day in looking backwards ; nor should the happiness of retrospect be denied to an institution when it has finished fifty years of an honourable and useful existence.

On September 20th, 1859, the Eastern Townships Bank opened for business at Sherbrooke and Stanstead in the district of St. Francis ; and at Waterloo in the district of Bedford. Since that time no shareholder has failed to receive his expected dividend. In 1860 the deposits were \$6,548 ; they now exceed fifteen millions. The number of branches was then four, it now exceeds eighty. The paid up capital was then \$101,400 ; it is now three millions. This contrast between past and present could be drawn out to great length : but as complete illustration of early conditions may be cited a by-law of 1860 which limited the borrowing power of any one man or corporation to ten thousand dollars.

In part, such growth as this means the natural development of the country, just as fifty years of solvency may be ascribed in part to that careful management which we expect from every banker. But the present position of the Eastern Townships Bank represents something besides the natural development of Canada in conjunction with a normal share of good management. It is an institution which has more history that can be found in ledgers and annual reports. These are the indispensable record of its external progress. But they do not give the key to its success, nor to the place which it fills in the life of Canada. Banks exist to do busi-

ness and make dividends for their shareholders. Similarly authors are not unknown to write books in the hope of securing the royalties on a large scale. But where a book succeeds one does not seek for the real cause of success in a ten per cent. commission, nor can the history of the Eastern Townships Bank be dismissed with the thought that certain people have worked fifty years to make an eight per cent. dividend.

II

To understand the history of the Eastern Townships Bank it is necessary to know the Eastern Townships—a region whose first settlers were bound together by a common heritage of language, origin and local government. Historically speaking, they are a part of New England, thrust north between the Richelieu and the St. Francis until they meet the southern fringe of the seigniories. English, Scotch and Irish all came to this wilderness, but a large majority of the pioneers reached the Eastern Townships by way of New England. Of those who founded the Bank, some were descended from Loyalists, while others were sons of men who had crossed the border to improve their fortunes. But whatever their origin, the colonists of the Eastern Townships had in common certain immutable possessions: the town meeting, the husking, the spelling match, the singing school, and a strong preference for trial by jury. First came the log house in the clearing, next the church, and then the school. It was an interesting contrast of culture and ideals which the Township presented to the Seignory when New England made its advance across the parallel of 45, and reached the hills that slope down to the Laurentian Valley. The movement began about 1785. Twenty years later Joseph Bouchette notes in his *Topographical Survey* the sharp cleavage of life and custom which one sees in passing from the flat land by the shore of the great river to the southern hills, from the Seignory to the Townships.

III

These English settlers who came once more into the land of King George did not immediately deposit fifteen millions. In fact, they had little need of a Bank for, with few exceptions, an axe and a sack of cornmeal, constituted their sole capital. Here and there in the Townships may still be found heirlooms that have survived from the Eighteenth Century. But those who owned Chippendale sideboards and Wedgwood teacups could be counted on the fingers of one hand. The majority brought only courage, ambition and a descent from the freeholders of Connecticut and Massachusetts.

Under such circumstances the pioneers were forced to rely in the main upon barter. As tobacco had been the unit of value in Virginia, and the beaver skin had stood for money to the first colonists of New France, so amid the clearings of the Eastern Townships the staple commodities became pot ash and pearl ash. It was a process by which the settler contrived to make one hand wash the other. He needed a clearing for his crop, and the wood he felled could be converted by fire into what was then the closest equivalent of money. Indeed pot ash was money when carried from the wilderness to a market. Ample illustration of the shifts to which the pioneers were driven may be found in their own narratives and in the pages of the *British Colonist*, the first newspaper to be printed in the Eastern Townships.

This is not the place for a detailed account of those early days, but something must be said in explanation of the fact that for seventy-five years after Englishmen entered the wilderness of southern Quebec they had no banking facilities. During the first part of this period they needed no bank because they had no money. The frontiersman coped with his daily task of winning food from the soil by the most primitive methods ; but the very severity of his efforts toughened his character. In all ages and countries

the dweller on the frontier has been a picked man, doing the rough work of the founder, and gaining the strength that comes from contact with stern actualities. All honour to those who redeemed the Eastern Townships from the wilderness ! They might be too poor to need a bank, but they left their sons the qualities which are easily convertible into cash assets.

IV

During the half century from 1809 to 1859 there was a slow but sure increase of material prosperity in the Eastern Townships. The War of 1812 disturbed their solitudes but little, nor were they ravaged like the seigniories by the troubles of 1837. Through the aid of an almost unbroken peace and of improvement in the means of transportation they advanced, if not towards wealth, at least, towards comfort. It was but natural that the older parts of the Province should reap first the benefits which flowed from the industrial revolution and the progress of science. In 1809 Molson launched the first steamboat upon the St. Lawrence. In 1835 was opened the railway from St. John to Laprairie. In 1855 the Reciprocity Treaty came into effect. These are all landmarks in the economic development of Lower Canada, and like the rest of the world the Eastern Townships profited by access under easier conditions to wider markets. A comparison between the land values of 1809 and 1859 is one criterion of the advance which had been won by axe and plough in conjunction with better roads and a larger trade. Another, which is no less valuable, may be found in the establishment of Bishop's College at Lennoxville, the first institution which gave the means of higher education to the Eastern Townships. But still there was no Bank.

V

The charter of incorporation dates from 1855, a year when the Crimean War was claiming the attention of the

world at large, and when, nearer home, J. W. Dawson came from Nova Scotia to revive the drooping fortunes of Protestant education in Quebec. Not only was Dawson's coming to McGill University a fact of great importance to the Eastern Townships, but the quickening of McGill and the founding of the Eastern Townships Bank are both due to the rapid advance in prosperity which was made by Lower Canada during the decade following Lord Sydenham's administration. The William Molson Hall, which represents the first large gift to McGill, was being built at the very moment when the Eastern Townships Bank opened business. Both in town and country the English of Lower Canada were making headway.

An interval of four years separates the incorporation of the Bank from the commencement of operations. By 1859, however, the financial requirements of the Townships had become such that there could be no further delay without serious damage to business of every kind. The furthest advance towards banking which had then been made in the English counties of Lower Canada took the form of an agency established at Sherbrooke by the City Bank of Montreal. But this institution had taken no root. Destitute of local attachments, it received little support, and, in fact, its efforts were chiefly confined to the collection of deposits. It had no basis which could render it permanently useful to a community like that of the Townships wherein local sentiment was often strong enough to be called prejudice.

VI

The stage, then, had been reached when the Townships required two things, a bank and a bank of their own. Besides the steady expansion of business which occasioned one need, another was found in the operations of the private money lender whose rates of interest were appreciably heightened by the want of a financial mechanism. Yet it

was a considerable undertaking for the men of the Townships to found a bank and unaided by the existence of the Municipal Loan debentures, the task of raising capital in 1859, might have proved too great. As it was the law allowed that owners of Municipal Loan debentures might pay for their bank stock in this security. For example, there can still be seen in the archives of the Bank the receipt which Edward D. Worthington received for £200 of debentures accepted from him in payment for stock.

VII

In reaching the commencement of operations it must be stated that the authorized capital of the Bank was at first \$400,000, of which, in 1859, only \$101,400 had been paid up. The day of small things is still further exemplified by total deposits for 1860 of less than \$7,000. Three offices only were opened, headquarters being at Sherbrooke, with branches at Stanstead and Waterloo. The records show that in those days the directors from abundance of caution met to deliberate over an expenditure of six dollars and to sanction discounts amounting to \$700. Under such circumstances it can be imagined that the Board had a bad quarter of an hour when one of its employees dropped \$4,000 out of his pocket in going from Sherbrooke to Stanstead. Fortunately the money was recovered.

VIII

Deeper interest, however, is attached to the names of the founders than to the original narrowness of their resources. The great thing was to create a bank for the Townships, and to carry it through the period of infantile disorders.

“It is not growing like a tree

In bulk doth make man better be.”

Likewise the reader will err if he judges the calibre of those who created the Eastern Townships Bank by the figures of the first annual statement.

It would have been difficult at that time, as it would be now, to select in any part of Canada men better qualified to create and guide a financial institution than were the first directors of the Eastern Townships Bank. They came of an ancestry long trained to effort and self-denial. They were thrifty, cautious and good judges of value. None the less were they courageous and public spirited. To those who know the Townships, their names will be enough to show how representative they were of the best pioneer stock. The full list of directors is as follows :—

A. A. Adams, Coaticook,
Chas. Brooks, Lennoxville,
G. K. Foster, Richmond,
R. W. Heneker, Sherbrooke,
B. Pomroy, Compton,
J. H. Pope, Eaton,
H. L. Robinson, Waterloo,

Benjamin Pomroy of Compton, became the first President and served as such until 1874. He belonged to one of the most representative families in the Eastern Townships and displayed his public spirit in the field of railway construction as well as in that of banking.

IX

To follow the sequence of Presidents, Colonel Pomroy was followed by R. W. Heneker, President of the British American Land Company and Chancellor of Bishop's College. Of those who were actively concerned in establishing the Eastern Townships Bank, Mr. Heneker is the sole survivor. Unlike most of his associates in this work, he did not represent a New England ancestry, but for a long generation he entered with zeal into all the larger projects for commercial and educational advancement in the Townships. By position, training and character, he was well fitted to discharge the duties of President, as he did for twenty-eight years.

The third President, Mr. William Farwell, is happily still in office. No one has had so long a connection with the Bank as he, or has been so closely connected with the task of expanding its business. As Cashier and General Manager his term of service covers forty-one years. In appreciating what he has accomplished, the nature of his responsibility must be remembered. Directors may advise and direct but if the chief executive officer has not the ability, experience and foresight to carry out the general policy decided upon, and adhere strictly to well-defined banking principles, failure, rather than success, is sure to follow. Since 1902, Mr. Farwell has been President.

In 1902, upon Mr. Farwell's resignation as General Manager, Mr. James Mackinnon, who had been acting as Assistant General Manager, was appointed Chief Executive Officer by the unanimous choice of the Board, and the growth of the Bank since the date of his appointment is referred to by the Directors with pride, and as showing the wisdom of their selection. Previous to 1901, Mr. Mackinnon had been connected with the Bank for thirty years, during which time he had served in every capacity.

X

Regarding the personnel of those who have made the Eastern Townships Bank, two further facts deserve attention. From the outset until now the Directors have fitly represented the most important interests of the region which the Bank has served. They have never been chosen from one political party to the exclusion of the other. They have always taken their duties seriously and felt pride in their position. There have been upon the Board public men like John Henry Pope, Minister of Railways and for years the confidant of Sir John Macdonald; Senator G. G. Stevens, and Senator M. H. Cochrane. The Bank has likewise been able at all times to enlist for its directors the best business

men of the Eastern Townships, and no better illustration can be given than the fact that S. H. C. Miner, who has been identified with so many of the great commercial enterprises of the Townships, and of Canada generally, is to-day its Vice-President.

The representative character of the Bank's Directors is one important fact regarding the personnel, and the other is the strong solidarity of feeling which has existed among members of the staff. It is a well-established bit of history that men will often work for a corporation with a diligence and care which they would not show in the conduct of their own affairs. But first they must respect and trust the corporation for which they work and which is so large a factor in their lives.

That this sentiment exists among the staff of the Eastern Townships Bank is matter of common knowledge. The high standing of the Bank in the Townships has made positions in its service attractive to the best families—not only in a single generation, but throughout the entire course of the Bank's history.

XI

On page 474 will be found a comparative statement of the business which the Bank has done for the past fifty years. The figures stand there for themselves, rendering comment superfluous. The extraordinary growth of deposits since 1899 is another fact which will arrest attention, bearing witness as it does, both to the rapid advance of Canada and to the success of the Bank in keeping pace with that advance.

XII

Numerous items contained in the Annual Reports are of considerable interest: those, especially, which are connected with large economic phenomena. For example, the report of 1862 shows how unexpected was the effect of the



E. L. STEWART PATTERSON

Assistant General Manager, 1909-12.

American Civil War on the trade of the Townships, or, to quote the passage in question, "Many of the oldest heads and soundest thinkers in the country are surprised and disappointed—for although it was known that manufactures must stop for a time, and trade, to a certain extent, be suspended—yet there was reasonable ground for supposing that all articles of food would be in the greatest demand, owing to the maintenance of such enormous armies in the field and the waste attendant on the operations of war. Instead of this produce of all kinds has ruled lower than has been known for years—and nothing but the bountiful hay crop of last year—large beyond precedent—has saved our cattle market from a very great depreciation."

In 1863 and 1864 the discovery of copper in the Townships gives colour to the Reports. In 1866, mention is made of the steps which the Bank took to protect itself at the time of the Fenian excitement. In 1871 it is optimistically predicted that Sherbrooke "will very shortly become the most important seat of manufacture in the Dominion outside the City of Montreal." In 1879 there is a striking reference to the universal depression of trade and industry.

In short, the Annual Reports, despite all their conventional language and their business-like brevity, are a source of information which no historian of the Eastern Townships can neglect.

XIII

Of late, the largest fact in the development of the Bank has been expansion into fields that lie quite outside its original territory. Flourishing branches now exist in Manitoba, Alberta and British Columbia, while the establishment of an office at Montreal has been attended by the erection of a building which for its scale and appearance is no less remarkable than for the strategic value of its situation. This branching out into new territory does not mean ambition so much as the normal trend of circumstances.

Wherever the Bank has gone it has followed in the wake of Eastern Townships men who have prepared its way and given it their support. And the very genius of the Canadian banking system is that interdependence of parts which renders geographical expansion easy by making each new branch a source of benefit to those already existing. With the growth of the West it was inevitable that every financial institution of the East should go beyond Lake Superior, unless it was content to tie one hand behind its back. That the march westward has not been too rapid may be seen from the fact that nine-tenths of the branches and agencies are still in Quebec.

XIV

Some striking facts are brought out by a glance at the list of shareholders. If evidence were needed that the Bank is entrenched in the confidence of the Eastern Townships, it would be supplied by the names alike of farmers, artisans and capitalists who, in every county and hamlet of the Townships, have bought its stock. More eloquent still is the witness afforded by the Shareholders who represent the people of the Eastern Townships in their dispersion both to the Canadian West and to the United States. On account of the close connection between the Eastern Townships and New England, it is not surprising that the Bank should have shareholders in every New England State and also in New York, New Jersey and Pennsylvania. But wherever the people of the Townships go, they continue to believe that Eastern Townships Bank stock is a safe investment. Hence the list of shareholders discloses names in such states of the Middle West as Indiana, Illinois, Michigan, Iowa, Minnesota and Wisconsin. Still further west, there are shareholders in California, Kansas, Texas, Colorado, Idaho, Oregon and Washington. At home, every Province of the Dominion is represented in the list.

XV

"An institution," says Emerson, "is but the lengthened shadow of a man,"—and this saying is as true of banks as of other institutions. However satisfactory may be the figures of the balance sheet they require interpretation through a knowledge of those who achieved the results.

In the history of the Eastern Townships Bank may be seen a harmonious interaction of the institution and the community. The Bank has earned dividends from the operations which it has conducted in the Townships. But it is an obsolete idea that if one interest prospers, another must suffer in consequence. Beyond doubt the Bank and the people of the Townships have co-operated to mutual advantage. The customers of the Bank have also been its shareholders. Wherever a new industry has sprung up the Bank has helped to develop it. Operating everywhere through its network of branches, the Bank has strengthened the sense of unity which belongs by birth to the men of the Eastern Townships. Everywhere these "sober, steady and unspeculating" citizens, as referred to in the original prospectus, have been linked by their connection with and their indebtedness to the Bank. Let it be considered what this institution has wrought in a region where no great waterways facilitate trade, and where everything has been won by stern effort from the wilderness!

XVI

It is, in fact, a matter of ocular demonstration. There exist numerous woodcuts and lithographs which show the settlements of the Eastern Townships as they were in the early and middle years of the last century. Nature was then no less beautiful than now, but it was the beauty of wildness—a type of beauty which to the settler meant poverty and toil.

To-day the physical aspect of the Eastern Townships no longer suggests "the murmuring pines and the hemlocks" of the primæval forest. It is a land of farms and mills, of mines and water powers. Those who strove with want in full confidence of the future have enabled their descendants to occupy a region where comfort reigns in every township and village. Nowhere in the world is prosperity more diffused, or is there a less glaring contrast between the extremes of wealth and poverty.

Reviewing the history of the Eastern Townships Bank one sees similar changes with similar results. Here, too, effort has won its reward. The Eastern Townships Bank was the pioneer financial institution of the Eastern Townships. Pushed on to success by the indomitable perseverance of its founders, maintained for fifty years by honest and active men, it has reached a proud position of security, with an influence which extends throughout the length and breadth of Canada. Looking both back and forward the Directors can have no better hope than that their successors may be able to present to the public the same record of progress and conservatism which is the legacy of their predecessors.

GENERAL REMARKS.

CONTAINED IN FIRST ANNUAL REPORT.

The Board of Directors of the Eastern Townships Bank have felt it necessary (in consequence of the failure of two of the recently chartered Banks of Western Canada, and with the view of counteracting any bad impressions which these failures may have caused to the new institutions of the country generally, however solidly based), to draw public attention to the following particulars, setting forth the reasons for the formation of their Bank in the first instance ; the basis on which the Bank rests, and the character of the business sought to be done, under the conviction that the

wider these facts become known the more the credit of the institution will be raised, to the well-being not of the Eastern Townships only, but likewise of those merchants and others who have, or are likely to have, business transactions with them.

Up to the date of the organization of the Bank this large and important section of the country, with a population of 250,000, was entirely dependent on the City of Montreal and United States Banks located on the frontier, for all Banking accommodations, and was consequently always liable to be hampered by the necessity those Banks were under of regulating their action by the frequent fluctuations of business in their several localities.

The quiet, steady and unspeculating men of the Townships, smarting under this evil, determined, as a last resource, on establishing a local Bank of their own sufficient to meet all their requirements without the necessity of leaning on outside institutions, and an inspection of the Stock Books will show the wide extent of the subscriptions scattered over the whole of the Eastern Townships, and comprising all classes of the community, including merchants, mechanics, farmers, professional and business men of all kinds.

It would, perhaps, have been easier for the promoters of the institution to have raised the capital required from a few wealthy individuals, but the object in view was two-fold: first, to benefit the country, and secondly, to create so widespread and deep an interest amongst the people themselves in the well-being of the institution, that it would not only tend to raise the credit of the Townships, but would at the same time be a safeguard against any speculative action on the part of the Bank itself.

Where so large a proprietary exists, and that a proprietary of persons desiring accommodations for the carrying on of their business, it stands to reason that no very large amounts of accommodation to a few will be tolerated, but the

safer business of accommodation in smaller amounts to the many, will be the rule.

With those points in view the Eastern Townships Bank has gone into operation. The Head Office of the Bank is situated in the flourishing Town of Sherbrooke, which, from its central position, its natural capabilities for manufactures, and the stirring and business character of its population, bids fair, with the growth of the country, to become a place of considerable importance. Its present population is 3,500.

There are two Branches. One at Stanstead Plain, in the County of Stanstead ; and the other at the Village of Waterloo, in the District of Bedford.

Both districts are well known as places of great business capabilities in consequence of their being the centres of highly-cultivated counties.

Application has been made for the establishment of two other Branches in flourishing localities, but the Directors, although extremely desirous of satisfying the wants of all localities, recognizing to the full the disadvantages under which many of the applicants for Branches labor, yet feel that the institution is at present too new to undertake so extended a business, and they would rather test the wants of the country with the present amount of paid-up capital, in those districts where their business is already yielding a profitable and safe return, than make an immediate call of more capital for the establishment of new Branches.

Regarding this Bank, however, as essentially an Eastern Townships institution, they will do their utmost to accommodate all localities, as well as all classes of the community.

The Bank commenced operations on the 20th day of September last, and the weekly statement of this date will show its present standing.

Sherbrooke, December 31st, 1859.

STATEMENT OF THE EASTERN TOWNSHIPS BANK.

 Sherbrooke, C.E., September 8th, 1859.

LIABILITIES

Paid up Capital..... \$100,210.00

ASSETS

Government Securtties..... \$62,000.00

Bills of other Banks (Canada)..... 10,740.00

Gold..... \$26,803.70

Silver..... 666.30

 \$27,470.00

 \$100,210.00

WM. S. FOSTER,

Cashier.

I hereby certify that at the request of the President and Directors of the Eastern Townships Bank, I have examined the above statement, counted the monies, and found the same correct. I have also examined the Books and found that the amount of stock required by the Charter has actually been subscribed.

Sherbrooke, September 8th. 1859.

 WM. RITCHIE, N.P.,
 and Registrar of Sherbrooke County.

The following shows the number of Shares subscribed in the different Counties in the Townships, up to December 31st, 1859.

	No. Sub.	No. Shrs.
Town of Sherbrooke and Compton Co.....	147	3211
Stanstead County.....	68	1271
District of Bedford.....	122	1110
Richmond and Arthabaska Counties.....	46	710
Montreal and Quebec.....	18	374
Foreign.....	3	140
Total.....	404	6,816

WEEKLY STATEMENT.

Saturday, December 31st, 1859.

LIABILITIES

Capital.....	\$118,835.00
Circulation.....	125,339.00
Deposits	4,424.80
	<hr/>
	\$248,598.80

RESOURCES

Coin in Bullion.....	\$27,475.96
Bills and Checks of other Banks.....	3,790.00
Discounts.....	130,417.18
Due from other Banks.....	30,266.10
Government Securities	62,000.00
	<hr/>
	\$253,949.24

WM. S. FOSTER,
Cashier.

GENERAL STATEMENT.

31st December, 1909.

LIABILITIES

Capital Paid up		\$3,000,000.00
Reserve Fund		2,100,000.00
Balance of Profits carried forward		196,029.88
Reserved on account of rebate on Bills Discounted unmatured	35,000.00	
Dividend No.108 at the rate of 8 per cent per annum, payable 3rd January next	60,000.00	
Dividends unclaimed	2,144.75	
		97,144.75
Notes of the Bank in Circulation	2,447,785.00	
Deposits not bearing interest	3,702,096.45	
Deposits bearing interest	12,025,724.43	
Balances due to other Banks in United Kingdom	131,485.41	18,307,091.92
		<u>\$23,700,265.92</u>

ASSETS

Gold and silver coin Current	\$ 420,695.99	
Dominion Government Notes	1,132,400.25	
Deposit with Dominion Government for security of Bank Note Circulation ..	126,681.84	
Notes of and Cheques on other Banks ..	837,631.50	
Due from other Banks in Canada	584,692.20	
Due from other Banks in Foreign Coun- tries	1,001,768.43	
Dominion and Provincial Government Securities	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities	530,445.90	
Other Bonds, Debentures and Stocks ..	257,396.20	
Call loans on Bonds and Stocks	1,512,223.22	
		\$6,571,008.95
Current Loans, Discounts and Advances to the Public	15,836,258.40	
Loans Overdue, (Estimated Loss pro- vided for)	95,474.53	
Real Estate, (other than Bank premises)	70,270.79	
Mortgages on Real Estate sold by the Bank	10,055.25	
Bank Premises and Furniture, including Safes and Vaults at Head Office and Branches	1,024,709.09	
Other Assets ..	92,488.91	17,129,256.97
		<u>\$23,700,265.92</u>

COMPARATIVE STATEMENT.

OF THE BUSINESS OF THE EASTERN TOWNSHIPS BANK FOR THE PAST
50 YEARS—1860 TO 1909 INCLUSIVE—AS SHOWN
BY THE ANNUAL REPORTS.

Incorporated 1855; Organized 1859, with a Paid-up Capital at that date of \$101,400.

Years	Capital Paid Up	Reserve Fund	Dividend Rate	Deposits	Circula- tion	Loans	Assets immediately available
	\$	\$		\$	\$	\$	\$
1860	133,415	.....	6	6,548	135,152	179,006	107,263
1861	196,450	.....	7	72,402	175,098	394,967	62,341
1862	225,128	3,259	7	107,562	88,987	356,790	84,867
1863	240,250	6,000	7	101,669	72,481	314,461	116,416
1864	253,675	10,000	6½	94,800	80,504	357,221	102,661
1865	284,254	10,000	7	103,282	62,882	355,336	130,521
1866	334,081	18,000	7	115,662	102,460	438,719	159,686
1867	366,035	20,000	8	112,411	88,376	454,972	163,723
1868	400,000	23,000	8	135,027	103,829	496,222	204,138
1869	400,000	30,000	8	158,955	108,163	516,343	210,596
1870	400,000	36,000	8	264,450	294,554	670,333	362,056
1871	400,000	47,000	8	343,977	433,369	919,776	474,190
1872	567,675	75,000	8	508,907	450,210	1,364,091	396,099
1873	742,406	115,000	8	497,568	516,102	1,640,000	389,600
1874	959,694	185,000	9	615,390	609,168	2,261,326	555,326
1875	1,000,000	240,000	10	791,403	467,403	2,529,767	476,569
1876	1,248,270	275,000	8	609,655	399,669	2,559,881	359,279
1877	1,330,151	300,000	8	674,815	387,347	2,447,399	328,206
1878	1,370,748	300,000	8	910,258	376,114	2,611,882	381,535
1879	1,381,568	200,000	7	996,799	352,087	2,613,547	370,184
1880	1,382,037	200,000	7	1,287,034	496,018	2,836,191	563,244
1881	1,386,855	220,000	7	1,426,531	702,634	3,317,278	525,176
1882	1,397,659	270,000	7	1,912,252	878,260	3,862,861	668,777
1883	1,399,739	350,000	7	2,104,778	855,011	4,264,138	634,372
1884	1,449,067	375,000	7	2,057,868	752,900	4,199,072	665,659
1885	1,449,488	375,000	7	1,800,637	700,056	3,896,346	680,208
1886	1,449,488	375,000	7	1,786,908	694,869	3,879,613	526,213
1887	1,456,136	425,000	7	1,956,687	722,137	3,860,920	803,507
1888	1,468,284	450,000	7	2,108,908	852,089	4,123,617	812,649
1889	1,485,881	500,000	7	2,305,310	770,641	4,485,930	641,541
1890	1,487,102	550,000	7	2,233,790	782,204	4,498,417	615,097
1891	1,487,582	600,000	7	2,454,881	796,204	4,644,248	728,239
1892	1,487,582	625,000	7	2,441,881	739,427	4,631,108	714,686
1893	1,493,815	650,000	7	2,722,149	802,216	4,887,097	851,156
1894	1,499,905	680,000	7	2,791,162	723,110	4,868,933	855,527
1895	1,499,905	720,000	7	3,047,753	757,634	5,339,474	764,682
1896	1,500,000	750,000	7	3,467,812	874,046	5,569,719	978,626
1897	1,500,000	785,000	7 & 1%	3,870,564	938,975	6,022,018	1,150,429
1898	1,500,000	835,000	7 & 1½%	4,384,004	895,924	6,577,769	1,169,761
1899	1,500,000	850,000	7	4,855,173	924,012	6,843,745	1,206,686
1900	1,500,000	900,000	7 & 1%	5,181,451	1,147,707	7,206,658	1,448,312
1901	1,733,945	1,050,000	7 & 1%	5,843,751	1,224,100	7,540,585	2,241,106
1902	1,935,225	1,250,000	7 & 1½%	6,830,214	1,358,734	8,700,256	2,464,045
1903	2,426,780	1,400,000	8	8,578,049	2,021,495	10,869,026	3,394,234
1904	2,472,340	1,500,000	8	9,821,026	2,237,835	11,423,021	4,688,504
1905	2,500,000	1,600,000	8	11,910,860	2,068,885	12,820,259	4,853,285
1906	2,932,790	1,860,000	8	12,688,710	2,582,015	13,118,223	6,570,683
1907	3,000,000	2,000,000	8	13,317,482	2,618,856	14,557,809	6,012,937
1908	3,000,000	2,000,000	8	13,625,404	2,667,665	13,349,635	7,408,030
1909	3,000,000	2,100,000	8	15,427,586	2,724,766	15,794,310	6,729,410

DIRECTORS.

Beginning		Ending
1859	POMROY, COL. BENJAMIN.....	1876
1859	POPE, HON. JOHN HENRY.....	1889
1859	ADAMS, A. A.....	1885
1859	BROOKS, CHAS.....	1879
1859	HENEKER, R. W.....	1901
1859	FOSTER, GEO. K.....	1884
1859	ROBINSON, H. L.....	1870
1870	BRIGHT, E. O.....	1878
1871	STEVENS, SENATOR G. G.....	1892
1876	TERRILL, T. L.....	1880
1876	COCHRANE, SENATOR M. H.....	1903
1878	MOREY, THOS. S.....	1886
1878	GALER, J. N.....	1902
1880	THORNTON, JOHN.....	1888
1885	HART, THOMAS.....	1898
1885	MANSUR, D. A.....	1894
1886	WOOD, MAJOR I.....	1905
1889	TUCK, T. J.....	1899
1889	THOMAS, N. W.....	1908
1892	STEVENS, GARDNER.....	....
1894	FOSTER, JOHN G.....	1897
1898	KATHAN, C. H.....	....
1898	BROWN, H. B., K.C.....	1906
1899	MITCHELL, J. S.....	....
1902	FARWELL, WM.....	....
1903	MINER, S. H. C.....	....
1903	FLUMERFELT, A. C.....	....
1903	GRUNDY, FRANK.....	....
1906	OGLIVY, SHIRLEY.....	1907
1906	ROBERTSON, O. A.....	....
1907	FOSTER, GEO. G., K. C.....	....
1908	McCREA, F. N.....	....
1908	HOWARD, B. C.....	....



CHAS. W. COLBY, Ph D

Director 1910-1912

EASTERN TOWNSHIPS BANK.

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - \$3,000,000.00

CAPITAL PAID UP, - - \$3,000,000.00

RESERVE FUND, - - - - \$2,250,000.00

DIRECTORS.

WM. FARWELL, - - PRESIDENT.

S. H. C. MINER, VICE-PRESIDENT.

C. H. KATHAN, ESQ.

G. STEVENS, ESQ.

J. S. MITCHELL, ESQ.

A. C. FLUMERFELT, ESQ.

O. A. ROBERTSON, ESQ.

G. G. FOSTER, ESQ., K.C.

F. N. McCREA, ESQ.

B. C. HOWARD. ESQ.

C. W. COLBY, ESQ., PH.D.

JAS. MACKINNON - GENERAL MANAGER

E. L. STEWART PATTERSON, ASSISTANT GENERAL MANAGER

WM. SPIER, - - CHIEF INSPECTOR

NEIL DINNING, CHIEF ACCOUNTANT

1910.

BRANCHES.

QUEBEC :

ACTON VALE	E. R. TANNER,	Manager
AYER'S CLIFF	W. E. LEARNED,	"
BEDFORD	S. H. BALL,	"
BEEBE	H. G. KIRWIN,	"
BELOEIL STATION	J. R. BOIVIN,	Acting "
BISHOP'S CROSSING	L. P. BISHOP,	"
BLACK LAKE	H. E. GREEN,	"
BROMPTONVILLE	J. B. HEBERT,	"
COATICOOK	L. M. THOMAS,	Acting "
COOKSHIRE	D. H. TOLMIE,	"
COWANSVILLE	H. F. WILLIAMS,	"
DANVILLE	J. H. DOAK,	"
EASTMAN	C. W. HAWLEY,	"
FARNHAM	G. C. BORIGHT,	"
FRELIGHSBURG	P. S. WOOD,	"
GRANBY	A. C. SMITH,	"
HEMMINGFORD	P. H. M. SOMERVILLE,	"
HUNTINGDON	C. W. THOMAS,	"
JOLIETTE	GUY LAMOTHE	"
KNOWLTON	J. M. O'HALLORAN,	"
LENNOXVILLE	H. A. C. SCARIE,	"
MAGOG	A. W. WATSON	"
MANSONVILLE	W. LYNCH,	"
MARBLETON	L. P. BISHOP,	"
MARIEVILLE	A. J. CHAQUETTE	Acting "
MEGANTIC	G. M. THOMPSON,	"
MONTREAL (Centre)	B. AUSTIN,	"
MONTREAL (East)	E. L. SLEEPER,	"
MONTREAL (West)	M. A. MACFARLANE,	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	E. W. MORGAN,	"
POINTE AUX TREMBLES	S. A. FORBES	"
RICHMOND	A. S. RAIMBACH,	"
RIMOUSKI	W. CLOUTIER,	"
ROCK ISLAND	SIDNEY STEVENS,	"
ST. FELIX DE VALOIS	R. MARCHAND,	Acting "
ST. FERDINAND		
D'HALIFAX	A. E. WARD,	"
ST. GAB. DE BRANDON	A. LOCAS	"
ST. GEORGE BEAUCE	E. DEMOULIN	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	ARTHUR GUAY	"

BRANCHES (Continued).

ST. REMI	J. A. ROY	Manager
SHERBROOKE	E. W. FARWELL	Acting "
SHERBROOKE (Wellington St.)	F. A. BRIGGS,	"
SUTTON	R. P. BUZZELL	"
THETFORD MINES	P. P. JOHNSTON	"
VALCOURT	P. L. McCABE	"
WATERLOO	W. E. MOREHOUSE	"
WATERVILLE	J. T. THOMAS,	"
WEST SHEFFORD	F. E. KERRIDGE	"
WINDSOR MILLS	N. H. SLACK,	Acting "

ALBERTA :

COLEMAN	R. B. BUCHANAN,	"
LETHBRIDGE	J. A. E. ROME	Acting "
TABER	GEO. E. EWING	"

BRITISH COLUMBIA :

GRAND FORKS	A. B. HOOD,	Manager
PHOENIX	F. E. BRINE,	Acting "
PRINCETON	R. H. CARMICHAEL	"
VANCOUVER	W. H. HARGRAVE	"
" KITSILANO	E. P. GOMERY	Acting "

MANITOBA :

WINNIPEG	W. L. BALL	Manager
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SUB-AGENCIES.

QUEBEC :

ASBESTOS	DANVILLE
BELOEIL	BELOEIL STATION
BIC	RIMOUSKI
BROME	KNOWLTON
CHAMBLY BASIN	MARIEVILLE
CLARENCEVILLE	ST. JOHNS
DIXVILLE	COATICOOK
DUNHAM	COWANSVILLE
EAST ANGUS	SHERBROOKE
EAST BROUGHTON	THETFORD MINES
EAST HATLEY	AYER'S CLIFF
HENRYVILLE	ST. JOHNS
HOWICK	ORMSTOWN
IBERVILLE	ST. JOHNS
LACOLLE	ST. JOHNS

SUB-AGENCIES, (Continued)

QUEBEC :

LAWRENCEVILLE	EASTMAN
MONT ST. HILAIRE	BELOEIL STATION
PHILIPSBURG	BEDFORD
ROXTON FALLS	ACTON VALE
ROXTON POND	GRANBY
ST. ARMAND STATION	BEDFORD
ST. CHRYSOSTOME	ORMSTOWN
ST. ELIZABETH	ST. FELIX DE VALOIS
ST. SEBASTIEN	ST. JOHNS
SCOTSTOWN	MEGANTIC
SHERBROOKE (UPPER TOWN)	SHERBROOKE
STANBRIDGE EAST	BEDFORD
STANSTEAD	ROCK ISLAND
SWEETSBURG	COWANSVILLE
THETFORD MINES, WEST	THETFORD MINES
UPTON	ST. HYACINTHE
WEEDON	MARBLETON

BRITISH COLUMBIA :

MIDWAY	GRAND FORKS
KEREMEOS	PRINCETON

CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES,	CANADA
MOLSON'S BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL SHAWMUT BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNE	" "
CONTINENTAL NATIONAL BANK,	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N. Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK,	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK.

GENERAL STATEMENT.

15th November, 1910.

LIABILITIES.

Capital Paid up.....		\$3,000,000.00
Reserve Fund.....		2,250,000.00
Balance of Profits carried forward.....		145,038.33
Reserved on account of rebate on Bills Discounted, unmatured	\$35,000.00	
Dividend No. 112 at the rate of 9 per cent. per annum payable 3rd Jan. next....	67,500 00	
Dividends unclaimed.....	2,678.75	105,178 75
Notes of the Bank in Circulation.....	\$2,896,335.00	
Deposits not bearing interest.....	3,980,521.69	
Deposits bearing interest.....	12,911,491.18	
Balances due to other Banks in Foreign Countries	108,446.20	
		<u>19,896,794.07</u>

ASSETS.

Gold and Silver Coin Current.....	\$ 454,568.30	
Dominion Government Notes.....	1,345,763.00	
Deposit with Dominion Government for security of Bank Note Circulation....	130,000.00	
Notes of and Cheques on other Banks..	724,073.84	
Due from other Banks in Canada..	533,923.98	
Due from other Banks in Foreign Countries.....	989,487.04	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities.....	522,659.70	
Other Bonds, Debentures and Stocks...	318,096.20	
Call loans on Bonds and Stocks.....	1,608,832.49	
		<u>6,794,477.97</u>
Current Loans, Discounts and Advances to the Public.....	17,148,990.76	
Loans Overdue, (Estimated Loss provided for).....	140,305.76	
Real Estate, (other than Bank Premises)	106,236.04	
Mortgages on Real Estate sold by the Bank	14,587.49	
Bank Premises and Furniture including safes and vaults at Head Office and Branches.....	1,077,442.14	
Other Assets.....	114,970.99	
		<u>18,602,533.18</u>
		<u>\$25,397,011.15</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTY-FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON WEDNESDAY, 7TH DECEMBER, 1910.

The 51st annual general meeting of the Shareholders of the Eastern Townships Bank was held at 2 o'clock on Wednesday, December 7th, in the Board Room of the Head Office at Sherbrooke. There were present : Thomas Ward, Frank Spaulding, William Farwell, S. H. C. Miner, W. E. LeBaron, L. P. Jenne, Frank Sherman, Charles Ward, Gardner Stevens, Charles H. Kathan, James S. Mitchell, Marcus G. Crombie, George G. Foster, K.C., B. C. Howard, O. A. Robertson, A. C. Flumerfelt, Frank N. McCrea, Col. H. R. Fraser, Capt. F. Bennetts, etc.

The President, Mr. William Farwell, occupied the chair.

The General Manager, J. Mackinnon, acted as Secretary, and Col. Harry R. Fraser and Mr. M. G. Crombie, were appointed Scrutineers.

REPORT

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement for year ending 15th November past.

The net profits for the year amount to \$410,696.90 which with the balance brought forward from last year gives the sum of \$559,538.33 available.

Out of this the regular quarterly Dividends have been provided for—that payable on the first of January proximo being at the rate of nine per cent per annum—\$150,000 has been added to the Reserve Fund, bringing that account up to \$2,250,000 ; \$15,000 set aside for Bonus to employees, \$2,000 transferred to Officers' Guarantee Fund, and a balance of \$145,038.33 carried forward.

In view of the Reserve Fund having reached 75% of the Paid Up Capital, the Directors feel justified in increasing the Dividend to nine per cent, and are confident their action will be approved.

Business throughout the country has been satisfactory and the outlook encouraging, although expectations of six months ago have fallen short of fulfilment as a result of partial failure of the grain crop in important sections of the North-West Provinces. Nevertheless, harvest results throughout the Dominion as a whole, have been sufficient to maintain trade and manufacturing at a high level,

Collections are fair, and the number and importance of insolvencies normal. The export trade in lumber and pulpwood is still lagging, though tending towards improvement.

The dairy industry continues to be in a very satisfactory condition, and while along the southern border an important change has taken place, cream being shipped in large quantities to factories and others in the large cities of the United States, it is to be hoped that impending changes in the U.S. Tariff, may lead to a resumption in the localities referred to, and of a return to the condition previously prevailing and the manufacture of butter and cheese within our own territory.

It is very gratifying to notice that the tide of immigration continues to flow into the country from both England and the United States. The country is growing fast, and much money and credit are needed to finance its development. Our monied institutions will be expected to provide increasing facilities so long as rapid development continues.

As the larger proportion of immigrants are settling in the North West it means a great increase in the territory to come under cultivation, and proportionately the grain supply available for export.

Our manufacturing establishments are prosperous and are increasing in number because of important industries in the U.S. opening branches here in order to share in Canada's prosperity. Paper and Pulp industries are the most active in consequence of new regulations affecting export of pulp-wood. It is to be hoped that the necessity of safeguarding our manufacturing industries will be kept in view in any negotiations looking towards reciprocal trade relations with our neighbors to the South.

In view of the remarkable growth of the country it is evident that increased banking facilities will be required, and as this can be met more readily and economically by the present organizations increasing their Capital—which several have already done—the Directors have decided to recommend that a Resolution be passed at this meeting for authority to increase the Capital of the Bank in the sum of \$2,000,000,—this increase to be issued from time to time in such amounts and at such rates of premium as the Directors may determine.

During the year five new offices of the Bank have been opened, as well as several sub-agencies, all of which are showing satisfactory results.

New office buildings have been erected at Knowlton, Megantic and Grand Forks, and three others are now under construction, viz: Winnipeg, Montreal, West End, (St. Catherine St.) and Sutton.

We have also moved into commodious new premises at Vancouver in a building specially built for our use which we occupy under lease for a long term of years,

With deep regret we have to record the death of Mr. Frank Grundy, one of our Board, who passed away on the 14th November, 1910. Mr. Grundy was a man of wide ex-

perience and good business ability and was an active and very useful member of the Board. His death is a great loss to the Bank and the community generally.

All the offices of the Bank have had the usual thorough inspections.

In conclusion, the Directors have much pleasure in testifying to the faithful and painstaking service of the General Manager, Managers and other officers of the Bank.

Respectfully submitted.

WM. FARWELL,
President.

The President moved, seconded by the Vice-President, Mr. S. H. C. Miner, the adoption of the report, which was carried unanimously,

Gratification was expressed by the shareholders present at the decision of the Board to increase the dividend to nine per cent.

The Directors were authorized to apply to the Treasury Board of Canada for its approval of an increase of the capital stock of \$2,000,000, raising it to \$5,000,000, the new shares to be issued and allotted in such manner and proportion and at such time as the Directors of the Bank may deem proper.

A vote of thanks was given to the President and Directors, and to the General Manager, Managers and Staff, for their services during the past year.

The following were elected Directors : William Farwell, S. H. C. Miner, G. Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, O. A. Robertson, G. G. Foster, K. C. F. N. McCrea, B. C. Howard, Charles W. Colby, Ph. D.

At a subsequent meeting of the Board immediately held Mr. William Farwell was elected President, and Mr. S. H. C. Miner, Vice-President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 15TH NOVEMBER, 1910.

Balance at Credit of Profit and Loss brought forward from November 15th, 1909.....	\$148,841.43
Profit of Head Office and Branches after de- ducting charges of Management, Interest due Depositors, and provision for losses..	410,696.90
	<u>\$559,538.33</u>

APPROPRIATED AS FOLLOWS:

Dividend of 2 per cent. paid April 1st, 1910	\$60,000.00
Dividend of 2 per cent., paid July 2nd, 1910	60,000.00
Dividend of 2 per cent. paid Oct. 1st, 1910	60,000.00
Dividend of $2\frac{1}{4}$ per cent payable 3rd Jan. 1911	67,500.00
Transferred to Reserve Fund.....	150,000.00
Bonus to Officers.....	15,000.00
Transferred to Officers' Guarantee Fund...	2,000.00
	<u>414,500.00</u>
Balance carried forward.....	<u>\$145,038.33</u>

J. MACKINNON,

General Manager.



H. J. FULLER

Director 1911-1912

EASTERN TOWNSHIPS BANK

HEAD OFFICE, SHERBROOKE, QUE.

CAPITAL AUTHORIZED, - - -	\$5,000,000.00
CAPITAL PAID UP, - - -	\$3,000,000.00
RESERVE FUND, - - -	\$2,400,000.00

DIRECTORS.

WILLIAM FARWELL, ESQ., - PRESIDENT.

GARDNER STEVENS, ESQ., VICE-PRESIDENT.

C. H. KATHAN, ESQ.

J. S. MITCHELL, ESQ.

A. C. FLUMERFELT, ESQ.

O. A. ROBERTSON, ESQ.

GEO. G. FOSTER, ESQ., K.C.

F. N. McCREA, ESQ., M.P.

B. C. HOWARD, ESQ.

C. W. COLBY, ESQ., Ph.D.

H. J. FULLER, ESQ.

J. MACKINNON, - - - - GENERAL MANAGER

E. L. STEWART PATTERSON, - ASSISTANT GENERAL MANAGER

WM. SPIER, - - - - CHIEF INSPECTOR

NEIL DINNING, - - - - CHIEF ACCOUNTANT

BRANCHES.

QUEBEC :

ACTON VALE	E. R. TANNER	Manager
AYER'S CLIFF	W. E. LEARNED	"
BEDFORD	S. H. BALL	"
BEEBE	H. G. KIRWIN	"
BELOEIL STATION	J. R. BOIVIN,	Acting "
BISHOP'S CROSSING	L. P. BISHOP	"
BLACK LAKE	H. E. GREEN	"
COATICOOK	L. M. THOMAS	Acting "
COOKSHIRE	D. H. TOLMIE	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
EASTMAN	C. W. HAWLEY	"
FARNHAM	G. C. BORIGHT	"
FRELIGHTSBURG	P. S. WOOD	"
GRANBY	A. C. SMITH	"
HEMMINGFORD,	P. H. M. SOMERVILLE	"
HUNTINGDON	C. W. THOMAS	"
JOLIETTE	GUY LAMOTHE	"
KNOWLTON	J. M. O'HALLORAN	"
LENNOXVILLE	H. A. C. SCARTH	"
MAGOG	A. W. WATSON	"
MANSONVILLE	W. LYNCH	"
MARBLETON	L. P. BISHOP	"
MARIEVILLE	A. J. CHOQUETTE	Acting "
MEGANTIC	G. M. THOMPSON	"
MONTREAL (Centre)	B. AUSTIN	"
MONTREAL (East)	E. L. SLEEPER	"
MONTREAL (West)	M. A. MACFARLANE	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	E. W. MORGAN	"
POINTE AUX TREMBLES,	S. A. FORBES	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	SIDNEY STEVENS	"
ST. FELIX DE VALOIS	R. MARCHAND	Acting "
ST. FERDINAND DE HALIFAX	A. E. WARD	"
ST. GAB'L DE BRANDON	A. LOCAS	"
ST. GEORGE, BEAUCE	E. DUMOULIN	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	ARTHUR GUAY	"

BRANCHES, (Continued),

ST. REMI	J. A. ROY	Manager
SCOTSTOWN	N. G. SCOTT	Acting "
SHERBROOKE	E. W. FARWELL,	Acting "
" WELLINGTON ST.	F. A. BRIGGS	"
SUTTON	R. P. BUZZELL	"
THETFORD MINES	P. P. JOHNSTON	"
VALCOURT	P. L. McCABE	"
WATERLOO	W. E. MOREHOUSE	"
WATERVILLE	J. T. THOMAS,	"
WEST SHEFFORD	F. E. KERRIDGE	"
WINDSOR MILLS	N. H. SLACK	Acting "

ALBERTA :

COLEMAN	R. B. BUCHANAN	Manager
LETHBRIDGE	J. A. R. ROME	Acting "
TABER	GEO. E. EWING	"

BRITISH COLUMBIA :

GRAND FORKS	A. B. HOOD	"
KEREMEOS	W. D. LAWSON	"
PHOENIX,	F. E. BRINE	Acting "
PRINCETON	R. H. CARMICHAEL	"
SUMMERLAND	P. S. WOOD	"
VANCOUVER	W. H. HARGRAVE	"
" Kitsilano	E. P. GOMERY	Acting "
VICTORIA	R. W. H. KING	"

MANITOBA :

WINNIPEG	W. L. BALL,	Manager
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SUB-AGENCIES.

QUEBEC :

ASBESTOS	DANVILLE
BELOEIL	BELOEIL STATION
BIC	RIMOUSKI
BROME	SHERBROOKE
BROMPTONVILLE	KNOWLTON
CHAMBLY BASIN	MARIEVILLE
CHARLEMANGE	POINT AUX TREMBLES
CLARENCEVILLE	ST. JOHNS
DIXVILLE	COATICOOK
DUNHAM	COWANSVILLE
EAST ANGUS	SHERBROOKE
EAST HATLEY	AYER'S CLIFF
FOSTER	KNOWLTON
HENRYVILLE	ST. JOHNS

SUB-AGENCIES, (Continued)

QUEBEC :

HOWICK	ORMSTOWN
IBERVILLE	ST. JOHNS
LACOLLE	ST. JOHNS
LAWRENCEVILLE	EASTMAN
MONT ST. HILAIRE	BLOEIL STATION
PHILIPSBURG	BEDFORD
ROXTON FALLS	ACTON VALE
ROXTON POND	GRANBY
ST. ARMAND STATION	BEDFORD
ST. CHRYSOSTOME	ORMSTOWN
ST. CONSTANT	ST. REMI
ST. ELIZABETH	ST. FELIX DE VALOIS
ST. FABIEN	RIMOUSKI
ST. PHILLIPPE DE LA PRAIRIE	ST. JOHNS
ST. SEBASTIEN	ST. JOHNS
SHERBROOKE (UPPER TOWN)	SHERBROOKE
STANBRIDGE EAST	BEDFORD
STANSTEAD	ROCK ISLAND
SWEETSBURG	COWANSVILLE
THETFORD MINES, WEST	THETFORD MINES
UPTON	ST. HYACINTHE
WEEDON	MARBLETON

BRITISH COLUMBIA :

MIDWAY	GRAND FORKS
KEREMEOS	PRINCETON
NARAMATA	SUMMERLAND

CORRESPONDENTS

BANK OF MONTREAL AND BRANCHES.	CANADA
MOLSON'S BANK AND BRANCHES	"
CANADIAN BANK OF COMMERCE AND BRANCHES	"
NATIONAL SHAWMUT BANK	BOSTON, MASS.
NATIONAL PARK BANK	NEW YORK
CORN EXCHANGE BANK	" "
KNAUTH, NACHOD & KUHNÉ	" "
CONTINENTAL NATIONAL BANK.	CHICAGO, ILL.
FIRST NATIONAL BANK,	PORTLAND, ME.
NEW YORK STATE NATIONAL BANK	ALBANY, N.Y.
EXCHANGE NATIONAL BANK	SPOKANE, WASH.
FIRST NATIONAL BANK,	MINNEAPOLIS, MINN.
NATIONAL BANK OF SCOTLAND,	GREAT BRITAIN
HONG KONG AND SHANGHAI BANKING CO.	ASIA
CREDIT LYONNAIS	EUROPE
NATIONAL BANK OF SOUTH AFRICA, LTD.,	AFRICA

EASTERN TOWNSHIPS BANK,

GENERAL STATEMENT.

15th November, 1911.

LIABILITIES.

Capital Paid up.....	\$3,000,000.00	
Reserve Fund.....	2,400,000.00	
Balance of Profits carried forward.....	65,608.52	
Dividend No. 116 at the rate of 9 per cent. per annum payable 2nd Jan. next....	67,500.00	
Dividends unclaimed.....	3,053.50	70,553 50
Notes of the Bank in Circulation.....	\$3,109,950.00	
Deposits not bearing interest.....	4,956,461.31	
Deposits bearing interest.....	14,553,536.90	
Balances due to other Banks.....	314,946.43	
		<u>22,934,894.64</u>

ASSETS.

		<u>\$28,471,056.66</u>
Gold and Silver Coin Current.....	\$ 458,839.87	
Dominion Government Notes.....	1,492,009.75	
Deposit with Dominion Government for security of Bank Note Circulation....	137,000.00	
Notes of and Cheques on other Banks..	860,418.72	
Due from other Banks in Canada..	421,465.32	
Due from other Banks in Foreign Coun- tries.....	1,088,950.98	
Dominion and Provincial Government Securities.....	167,073.42	
Canadian Municipal Debentures and Foreign Public Securities.....	522,067.50	
Other Bonds, Debentures and Stocks...	439,596.20	
Call loans on Bonds and Stocks.....	1,836,438.98	
		<u>7,423,860.74</u>
Current Loans, Discounts and Advances to the Public(less interest rebated)...	19,385,447.98	
Loans Overdue, (Estimated Loss pro- vided for).....	82,034.02	
Real Estate, (other than Bank Premises)	129,293.14	
Mortgages on Real Estate sold by the Bank.....	25,550.55	
Bank Premises and Furniture including safes and vaults at Head Office and Branches.....	1,388,607.71	
Other Assets.....	36,262.52	
		<u>21,047,195.92</u>
		<u>\$28,471,056.66</u>

J. MACKINNON,
General Manager.

EASTERN TOWNSHIPS BANK

SHERBROOKE, QUE.

PROCEEDINGS OF THE FIFTY-SECOND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON WEDNESDAY, 6TH DECEMBER, 1911.

The Fifty-Second Annual General Meeting of the Shareholders of the Eastern Townships Bank was held at 2 o'clock on Wednesday, December 6th, in the Board Room of the Head Office at Sherbrooke. There were present, among others : Judge Alfred, Newport, Vt. ; A. C. Flumerfelt, Victoria, B.C. ; G. Stevens, Waterloo ; D. Williams, St. Johnsbury, Vt. ; B. C. Howard ; C. H. Kathan, Rock Island ; F. D. Spaulding, Burlington, Vt. ; Geo. G. Foster, K. C., Montreal ; Chas. W. Colby, Ph. D., Montreal ; H. J. Fuller, Montreal ; Wm. Farwell, F. N. McCrae, M. P. ; J. S. Mitchell ; Marcus G. Crombie, Kingsbury, Que.

The President, Mr. William Farwell, occupied the Chair. The General Manager, Mr. J. Mackinnon, acted as Secretary, and Messrs. Crombie and Spaulding as Scrutineers.

REPORT

Your Directors submit herewith the Balance Sheet and Profit and Loss Statement for the past year.

Since the last Annual Meeting, the Board and the Bank have sustained a most serious loss through the death of your Vice-President, the late Mr. S. H. C. Miner. His association with the Bank extended over a period of more than forty years. Your institution has never had a more loyal

supporter, a truer friend or wiser counsellor. The Shareholders no less than the members of the Board must deplore his loss.

The business for the year has been highly satisfactory. The net profits were \$459,570.19, being nearly \$50,000 in excess of those for last year and over 15% of the Bank's capital. The statement shows the disposition of same.

The demand for money has been active, the funds of the Bank being fully employed at remunerative rates. Business generally has been very satisfactory, our manufacturing industries working full time, Lumber and Pulpwood have been fairly active. The wise action of the Provincial Government in increasing the stumpage dues on wood cut on Government land together with the prohibition of the export of pulpwood and unmanufactured lumber from Crown lands has had a tendency, temporarily, to check that branch of business, but has resulted in the establishment of pulp mills, which will undoubtedly be followed, in time, by that of new paper mills and the enlargement of those already operating, thereby giving increased employment to our own people and converting our forests into their most valuable product.

The coal strike in Alberta and British Columbia, after continuing for about eight months has finally been settled, the men returning to work. This will enable the mines and other industries which were affected to resume operations and increased activities will prevail throughout these sections.

In view of the importance which our Western Branches have assumed and of the continual demands that have been made upon us in that part of Canada, it was thought advisable that a committee of the Board with the General Manager should inspect the Branches already established and visit other points which gave promise of profitable business. The month of October was devoted to this work, and as a result of the trip much information of great value has been

gained. It being the harvest season your Directors were not only enabled to estimate the present development of the country but also to form a first-hand opinion regarding future possibilities.

During the past year branch offices have been opened at the City of Quebec, City of Victoria, B.C., Summerland, B.C., and Cutknife, Sask. New bank buildings are being erected at Cookshire and Danville.

In conclusion your Directors desire to record their appreciation of the efforts put forth by the General Manager and other officers of the Bank, whose devotion to its interests is reflected in the fine result shown by the year's statement.

All of which is respectfully submitted,

WM. FARWELL,

President.

In moving the adoption of the report, which was seconded by Director Stevens, and carried, the President said :

You have heard what the Directors had to say regarding the business of the past year. I am sorry there is not a larger number of the Shareholders present, but I trust those with us, and all the Shareholders, will be satisfied with what the Directors have done, and be in hearty accord with the report. Reference is made therein to a visit by a few of the Directors, accompanied by the General Manager, to a portion of Western Canada. We were profoundly impressed with the country, its growth and possibilities. Our Branches there are doing a prosperous business.

The General Manager briefly dealt with the Statement and the year's business generally.

It was moved by Judge Alfred and seconded by Mr. M. G. Crombie, that the Shareholders desire to place on record their deep sense of the loss sustained by the Bank in the death of the late Mr. S. H. C. Miner, the Vice-President of the Bank.

A vote of thanks was tendered to the President and Directors for the attention they had given the business, and also to the General Manager and Officers of the Bank for their faithful, painstaking service during the past year.

The election of the new Board then took place, the scrutineers reporting the appointment of the following gentlemen :

William Farwell, G. Stevens, C. H. Kathan, J. S. Mitchell, A. C. Flumerfelt, O. A. Robertson, Geo. G. Foster, K.C., F. N. McCrea, M.P., B. C. Howard, Chas. W. Colby, Ph.D., H. J. Fuller.

At the meeting of the Directors held immediately afterwards, Mr. William Farwell was elected President, and Mr. Gardner Stevens, of Waterloo, Vice-President.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 15TH NOVEMBER, 1911.

Balance at Credit of Profit and Loss brought forward from November 15th, 1910.....	\$145,038.33
Profit of Head Office and Branches after deducting charges of Management, Interest due Depositors, and provision for losses..	459,570.19
	\$604,608.52

APPROPRIATED AS FOLLOWS :

Dividend of $2\frac{1}{4}$ per cent. paid April 1st 1911	\$67,500.00
Dividend of $2\frac{1}{4}$ per cent., paid July 3rd, 1911	67,500.00
Dividend of $2\frac{1}{4}$ per cent. paid Oct. 2nd 1911	67,500.00
Dividend of $2\frac{1}{4}$ per cent payable 2nd Jan. 1912	67,500.00
Transferred to Reserve Fund.....	150,000.00
To strengthening assets.....	100,000.00
Bonus to Officers.....	17,000.00
Transferred to Officers' Guarantee Fund...	2,000.00
	539,000.00
Balance carried forward.....	\$65,608.52

J. MACKINNON,

General Manager.

LETTERS TO THE SHAREHOLDERS
AND
AGREEMENT BETWEEN THE
EASTERN TOWNSHIPS BANK
AND
THE CANADIAN BANK OF COMMERCE

CIRCULAR LETTER ADDRESSED TO THE
SHAREHOLDERS OF THE
EASTERN TOWNSHIPS BANK.

SHERBROOKE, QUE., 21st DEC., 1911.

DEAR SIR OR MADAM :—

For some time it has been apparent to your Directors that if the expansion of the Eastern Townships Bank were to keep pace with the increased development of Canada a material enlargement of capital would be necessary, together with a marked addition to the present staff. These needs became even more apparent on the occasion of the visit which was made to the Western Provinces by a Committee of your Directors in October last. There we saw that while the growth of the country demands fresh banking facilities the cost of establishing branches would render it impossible for our Bank with its present capital to take any prominent part in the development of the West.

Since our return a suggestion has been made to us for an amalgamation with The Canadian Bank of Commerce, whereby each shareholder of the Eastern Townships Bank is offered two shares of stock in that Bank for each share held by him or her, the par value of their shares being \$50 whereas the par value of ours is \$100. This means that we are invited by the second largest Bank in Canada to unite with it on equal terms, two shares of their stock having the same par value as one of ours ; and there could be no better testimony to the high reputation which your institution enjoys. Throughout the Eastern Townships the name of the Eastern Townships Bank would everywhere be retained in conjunction with that of The Canadian Bank of Commerce.

In addition proper care has been taken to safeguard the interests of our faithful employees, all of whom would have

an opportunity to profit by the increased advantages incident to their connection with the enlarged institution.

Under the proposed arrangement the shareholders of the Eastern Townships Bank would be represented upon the Board of The Canadian Bank of Commerce by three or four of their present Directors. The other members of the old Board would be asked to act in an advisory capacity with reference to business transacted in the Eastern Townships. The whole conception is to combine two great advantages, namely, local sentiment and the great financial strength which a union with The Canadian Bank of Commerce would ensure.

In recommending to the shareholders the acceptance of the offer above outlined your Directors would point to these facts :

1. The capital and reserve of The Canadian Bank of Commerce are \$21,455,095 while those of the Eastern Townships Bank are \$5,400,000.
2. The assets of The Canadian Bank of Commerce are \$182,389,983.73 ; those of the Eastern Townships Bank being \$28,471,056.66.
3. The Deposits of The Canadian Bank of Commerce are \$145,965,734.76 ; those of the Eastern Townships Bank being \$19,509,998.21.
4. The earnings of The Canadian Bank of Commerce for 1911 were \$2,305,409.42, while the corresponding earnings of the Eastern Townships Bank were \$459,570.19.
5. The dividend paid by The Canadian Bank of Commerce is 10% against 9% paid by the Eastern Townships Bank.
6. On Nov. 30th, 1911, the market price of The Canadian Bank of Commerce stock was $207\frac{1}{2}$ a share and the market price of the Eastern Townships Bank stock 180 a share—both prices being given on the basis of a hundred dollar share.

Your Directors also have in mind that the tendency of banking development both in Europe and America is to combine capital in such a way as to save expense in administration, multiplicity of buildings and the various disadvantages which attend the operation of small banks. They have decided to accept for themselves the offer herewith submitted, and to advise the shareholders also to accept it as being highly advantageous from the standpoint of sound business.

In taking this position your Directors have carefully considered the standing of The Canadian Bank of Commerce, as well as the character of its Directors and Officials, and they are of the opinion that the best interests of the Eastern Townships Bank will be served by this amalgamation.

Since it will be necessary to secure the approval of a large number of shareholders, the Directors ask you to sign the enclosed proxy, assuring you of their belief that now, as in the past, they have safeguarded the interests of the shareholders, the depositors and the customers of your Bank.

WILLIAM FARWELL,
President.

Agreement made the twenty-first day of December,
A. D., one thousand nine hundred and eleven,

BETWEEN

The Eastern Townships Bank

(hereinafter called "the vendor")

OF THE FIRST PART ;

AND

The Canadian Bank of Commerce

(hereinafter called "the purchaser")

OF THE SECOND PART.

Whereas by section 99 of the Bank Act, passed by the Parliament of Canada, it is enacted that any bank may sell the whole or any portion of its assets to any other bank which may purchase such assets, and that the selling and purchasing banks may for such purposes enter into an agreement of sale and purchase;

And whereas pursuant to the said statute and to all other statutes, laws and powers applicable to or vested or to be vested in the parties hereto and each of them, the said parties have agreed upon the sale and purchase and upon the terms and conditions hereinafter set out;

And whereas this agreement of sale and purchase was duly submitted to the shareholders of the Vendor at a Special General Meeting, duly called for the purpose, and held on the fourteenth day of February, A. D., one thousand nine hundred and twelve, a copy of this agreement having been duly mailed, post paid, to each shareholder of the Vendor to his last known address at least four weeks previous to the date of the said meeting, together with a notice of the time and place of holding such meeting;

And whereas at such meeting this agreement was duly approved by resolution, carried by the votes of shareholders

of the Vendor (present in person or represented by proxy) representing not less then two-thirds of the amount of the subscribed capital stock of the Vendor;

Now this agreement witnesseth:

1.—The Vendor agrees to sell to the Purchaser, and the Purchaser agrees to buy from the Vendor, all the real and personal properties, assets, rights, credits and effects of the Vendor, of whatever kind and wheresoever situated, which the Vendor owns or possesses, or may be entitled to on the day this purchase is to take effect as hereinafter mentioned, including among all others (if any) those shown by the books and records of the Vendor examined by or submitted to the agents of the Purchaser in the month of December, one thousand nine hundred and eleven, except in so far as the same may have been or shall be parted with in the ordinary course of business by the Vendor prior to said date on which this purchase is to take effect, and including also those which have been or shall be acquired by the Vendor between the making of said examination in the month of December, one thousand nine hundred and eleven, and said date on which this purchase is to take effect; the foregoing being hereinafter referred to as “ the purchased premises.”

2.—The consideration for the purchased premises shall be:

(a) Sixty thousand fully paid up shares in the capital stock of the Purchaser, of the par value of fifty dollars each, or three millions of dollars in all; such shares to be allotted and issued as hereinafter mentioned;

(b) The assumption by the Purchaser of all the debts, liabilities, contracts and obligations of the Vendor (including notes issued and intended for circulation, outstanding and in circulation, and leasehold obligations) existing on the day this purchase takes effect, including liabilities in respect of any present or future actions, proceedings, claims

or demands in connection with any matter or thing;
and

(c) The covenants of the Purchaser herein contained.

3.— This agreement is made by the Purchaser upon the basis of the Vendor's affairs being substantially as disclosed by its books and records submitted to the Purchaser at the time of the examination thereof by the agents of the Purchaser in the month of December, one thousand nine hundred and eleven.

4.— The said shares are to be issued to the Vendor, or to whom it may appoint, on the execution by the Vendor of the requisite deeds of conveyance and transfer to the Purchaser, and delivery of possession of the purchased premises to the Purchaser; and such deeds of conveyance and transfer shall be tendered for execution by the Purchaser to the Vendor without delay after this purchase takes effect.

5.— This purchase shall take effect on and from the day upon which the approval of the Governor-in-Council is given to this agreement, pursuant to the said Act, and the necessary accounts and calculations between the parties hereunder shall be made as of that date.

6.—The shares in the Purchaser's capital stock forming part of the consideration of the purchase shall share in the next dividend declared by the Purchaser as from the day this purchase takes effect.

7.—The Purchaser covenants with the Vendor as follows:

(a) To allot and issue to the Vendor, or to whom it may appoint, sixty thousand fully paid up shares in the capital stock of the Purchaser of the par value of three millions of dollars (\$3,000,000).

(b) To assume, pay, discharge, perform and carry out all the debts, liabilities, contracts and obligations of the Vendor (including notes issued and intended

for circulation, outstanding and in circulation, and leasehold obligations) existing on the day this purchase takes effect (including all liabilities in respect of any present or future actions, proceedings, claims or demands, in connection with any matter or thing, and including all statutory requirements upon the Vendor and its liquidator with respect to the Vendor's notes in circulation.)

(c) To cause three members of the present Board of Directors of the Vendor to be appointed upon the Purchaser's Board, and to continue the remainder of the present Board of Directors of the Vendor as a local advisory Board of the Purchaser in Quebec with the same remuneration or emoluments to the said three and to the said remainder thereof during their respective lives as they respectively now receive as members of the Board of the Vendor.

(d) To indemnify every Director and other officer of the Vendor against all actions, proceedings, claims and demands for or by reason of any matter or thing done or omitted, or which may hereafter be done or omitted to be done in relation to the affairs of the Vendor, except in so far as any such action, proceeding, claim or demand shall be in respect of a wilful or deliberate breach of trust on the part of such Director or other officer, or directly caused by the gross negligence of such Director or other officer.

8. -The Vendor covenants with the Purchaser:

(a) That all resolutions, by-laws and other proceedings of its Shareholders and Directors, and otherwise, shall be duly passed, enacted and taken as may be necessary in order that the Vendor may be duly authorized and empowered to carry out the terms of this agreement.

(b) That after the completion of the sale and purchase hereby agreed on, the Vendor shall with all due despatch and without unreasonable delay wind up and liquidate its affairs, and shall sell or distribute among its shareholders said sixty thousand shares in the capital stock of the Purchaser, and shall cease to carry on business, and shall take the necessary proceedings for the surrender of its Charter, or other termination thereof, or shall permit the same to expire by effluxion of time.

(c) That the books and records of the Vendor, examined on behalf of the Purchaser in December 1911, exhibit substantially all the debts, liabilities, contracts and obligations of the Vendor as of the time of such examination; and that the Vendor's business has since said examination made on behalf of the Purchaser in December, 1911, been carried on in the ordinary and usual course as theretofore, and the position of the Vendor as disclosed by said books and records has up to the present time been substantially maintained; and that hereafter, and until the completion of the sale and purchase hereby agreed on, the Vendor's business shall continue to be so carried on in its usual and ordinary course, and so that the position of the Vendor as it existed at the time of said examination in December, 1911, shall until the completion of the sale and purchase hereby agreed on be substantially preserved and maintained.

(d) That no greater dividend than hitherto shall, pending the completion of the sale and purchase hereby agreed on, be declared by the Vendor, but a proportionate dividend from the date of the last preceding dividend up to the date this purchase takes effect at the rate of nine per cent. per annum,

may be declared and paid to the Vendor's shareholders out of the Vendor's assets.

9.—The parties hereto mutually covenant and agree the one with the other as follows:

(a) That they will make due application to the Governor-in-Council, through the Minister of Finance and Receiver General, for approval of this agreement, pursuant to the terms of the Bank Act, and shall afford all information which the Minister of Finance and Receiver General requires in connection with such application.

(b) That they will respectively take all such proceedings and do all such acts and things as may be necessary from time to time in order that the terms of this agreement may be fully observed and carried out according to the true intent and meaning hereof

10.—**Whereas** a pension fund for officers and employees of the Vendor has been established and is now being administered by "The Pension Fund Society of the Eastern Townships Bank" under the by-laws passed by that Society; and a pension fund for officers and employees of the Purchaser has been established and is now being administered by trustees under a constitution and rules made by the Purchaser;

And whereas it is the intention and desire of the Purchaser that all officers and employees of the Vendor who are members of said Pension Fund Society on the date when this purchase takes effect, and who desire to enter the service of the Purchaser, should enter such service and become entitled to the benefits of the pension fund of the Purchaser, on the terms below stated;

And whereas for such purpose it is necessary that the pension fund of the Vendor should be transferred to and

become part of the pension fund of the Purchaser, and that thereafter all payments which, but for such transfer, would be made out of said pension fund of the Vendor shall be made out of the pension fund of the Purchaser;

Now the parties hereto agree that they will respectively do all acts and things within their power, and will use their best endeavours to bring about the said transfer and to carry out the terms hereof and the intention and desire above expressed, and for that purpose to make or cause to be made such changes and amendments in the by-laws of said Pension Fund Society and in said constitution and rules as may be necessary or expedient in that behalf, and the parties shall, if necessary, support an application for such confirmatory legislation as may be required.

11.—The Purchaser agrees to take into its service in situations substantially equal to their present situations with the Vendor and on a basis of salary no less favourable, such of the officers and employees of the Vendor, being members of said Pension Fund Society, who desire to enter the service of the Purchaser when this purchase takes effect.

12.—The Purchaser further agrees that so soon as the said pension fund of the Vendor is transferred to and has become part of the pension fund of the Purchaser, each of the said officers and employees, being over twenty-five years of age and being then in the service of the Purchaser, shall be placed upon the pension fund of the Purchaser, and the rules thereof shall apply to him, and for the purposes of said rules his service with the Vendor shall be counted as service with the Purchaser, and he shall be regarded as having contributed to the fund from the age of twenty-five, if at that age he was in the service of the Vendor, or from the date of his becoming an officer or employee of the Vendor if he became such after that age. Each of said officers and employees being under twenty-five years of age, and being then in the service of the Purchaser, shall be entered as a

member of the pension fund of the Purchaser, and the rules thereof shall apply to him as such member.

13.—So soon as the said pension fund of the Vendor is transferred to and has become part of the pension fund of the purchaser, all payments to others than those so placed upon or made members of the pension fund of the Purchaser which, but for such transfer, would have been made out of said pension fund of the Vendor, shall be made out of the pension fund of the Purchaser.

In witness whereof this agreement has been duly executed by the Vendor and Purchaser under their respective Corporate Seals and the hands of their respective proper officers in that behalf, on the day and year first above written.

SIGNED, SEALED AND DELIVERED

in the presence of :

}

EASTERN TOWNSHIPS BANK.

GENERAL MANAGER'S OFFICE.

Sherbrooke, Que., Feb, 15th, 1912.

To the Shareholders of the
Eastern Townships Bank.

We beg to advise you that the Agreement between the Directors of the Eastern Townships Bank and The Canadian Bank of Commerce, was ratified and confirmed by the Shareholders at the Special Meeting called for that purpose on the fourteenth instant.

The shares of The Canadian Bank of Commerce which are to be exchanged for Eastern Townships Bank shares will be distributed as soon as the enclosed form of acceptance is returned here, which, if signed before a responsible witness, will be all that is required. Please return the Certificate of Stock which represents your holding.

We also beg to say that a dividend at the rate of nine per cent (9%) on the Eastern Townships Bank shares will be computed up to and including the 29th of February, for which a cheque will be sent you with the Certificate of the new Stock. After the first of March the dividend will be paid by The Canadian Bank of Commerce on their shares quarterly, on the 1st day of June, September, December and March.

Yours truly,

J. MACKINNON.

General Manager.

PAGE PRINTING & BINDING CO.
Sherbrooke, Que.

